

Sino-American Silicon Products Inc. and Subsidiaries

Consolidated Financial Statements

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

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

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Independent Auditors' Review Report

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

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(2), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$4,532,711 thousand and \$4,454,921 thousand, constituting 2.3% and 2.4% of consolidated total assets at June 30, 2023 and 2022, respectively, total liabilities amounting to \$1,718,240 thousand and \$1,828,476 thousand, constituting 1.3% and 1.5% of consolidated total liabilities at June 30, 2023 and 2022, respectively, and total comprehensive income (loss) amounting to \$(1,586) thousand, \$(320,626) thousand, \$(71,980) thousand and \$(335,554) thousand, constituting 0%, (26.0)%, (0.8)% and (10.8)% of consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2023 and 2022, respectively.



Furthermore, as stated in Note 6(7), the other equity-method accounted investments of Sino-American Silicon Products Inc. and its subsidiaries in its investee companies of \$55,589 thousand and \$54,928 thousand as of June 30, 2023 and 2022, respectively, and its equity in net earnings on these investee companies of \$(440) thousand, \$(361) thousand, \$718 thousand and \$(854) thousand for the three months and six months ended June 30, 2023 and 2022, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

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

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

KPMG

Taipei, Taiwan (Republic of China)
August 4, 2023

Notes to Readers

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

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

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Balance Sheets

June 30, 2023, December 31, 2022, and June 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

| | | June 30, 2023 | | December 31, 2022 | | June 30, 2022 | | | | | | June 30, 2023 | | December 31, 2022 | | June 30, 2022 | |
|----------------------------|-------------------------------------------------------------------------------------------|-----------------------|------------|--------------------|------------|--------------------|------------|------|--|----------------------------------------------------------------------------------------------|--|-----------------------|------------|--------------------|------------|--------------------|------------|
| Assets | | Amount | % | Amount | % | Amount | % | | | Liabilities and Equity | | Amount | % | Amount | % | Amount | % |
| Current assets: | | | | | | | | | | Current liabilities: | | | | | | | |
| 1100 | Cash and cash equivalents (note 6(1)) | \$ 51,665,100 | 26 | 83,247,854 | 42 | 79,816,317 | 44 | 2100 | | Short-term borrowings (notes 6(14) and 8) | | \$ 14,734,669 | 7 | 9,796,000 | 5 | 8,889,235 | 5 |
| 1110 | Financial assets at fair value through profit or loss—current (note 6(2)) | 5,999 | - | 32,415 | - | 34,091 | - | 2120 | | Financial liabilities at fair value through profit or loss—current (notes 6(2) and (16)) | | 345,224 | - | 1,219 | - | 11,750 | - |
| 1136 | Financial assets measured at amortized cost—current (notes 6(4) and 7) | - | - | 331,609 | - | 331,591 | - | 2130 | | Contract liabilities—current (note 6(23)) | | 9,578,045 | 5 | 10,514,416 | 5 | 9,524,881 | 5 |
| 1170 | Notes and accounts receivable, net (notes 6(5) and (23)) | 11,481,377 | 6 | 11,255,045 | 6 | 12,376,020 | 7 | 2170 | | Notes and accounts payable | | 4,797,991 | 2 | 5,129,293 | 3 | 4,628,957 | 3 |
| 1180 | Accounts receivable due from related parties, net (notes 6(23) and 7) | 62,566 | - | 83,043 | - | 59,799 | - | 2180 | | Accounts payable to related parties (note 7) | | 25,134 | - | 1,195 | - | 455 | - |
| | | | | | | | | 2201 | | Payroll and bonus payable | | 5,113,421 | 3 | 4,392,988 | 2 | 3,962,396 | 2 |
| 130X | Inventories (note 6(6)) | 10,894,470 | 5 | 10,789,580 | 6 | 9,746,508 | 5 | 2216 | | Dividends payable | | 5,484,804 | 3 | 3,257,330 | 2 | 4,801,150 | 3 |
| 1476 | Other financial assets—current (notes 6(1), 8 and 9) | 28,992,203 | 15 | 8,490,021 | 4 | 3,772,976 | 2 | 2250 | | Provisions—current (note 6(18)) | | 442,050 | - | 441,556 | - | 361,783 | - |
| 1479 | Other current assets (note 6(13)) | <u>1,980,632</u> | <u>1</u> | <u>1,822,111</u> | <u>1</u> | <u>1,590,837</u> | <u>1</u> | 2230 | | Current tax liabilities | | 3,716,630 | 2 | 4,889,132 | 2 | 3,478,893 | 2 |
| | | <u>105,082,347</u> | <u>53</u> | <u>116,051,678</u> | <u>59</u> | <u>107,728,139</u> | <u>59</u> | 2270 | | Convertible bonds, current portion (notes 6(16)) | | 11,430,933 | 6 | - | - | - | - |
| | | | | | | | | 2322 | | Long-term borrowings, current portion (note 6(15)) | | 683,176 | - | 35,316 | - | 34,178 | - |
| | | | | | | | | 2399 | | Other current liabilities (notes 6(17), 7 and 9) | | <u>6,995,065</u> | <u>4</u> | <u>5,144,003</u> | <u>3</u> | <u>3,949,638</u> | <u>2</u> |
| | | | | | | | | | | | | <u>63,347,142</u> | <u>32</u> | <u>43,602,448</u> | <u>22</u> | <u>39,643,316</u> | <u>22</u> |
| Non-current assets: | | | | | | | | | | Non-Current liabilities: | | | | | | | |
| 1513 | Financial assets at fair value through profit or loss—non-current (note 6(2)) | 9,920,204 | 5 | 9,331,720 | 5 | 9,253,528 | 5 | 2527 | | Contract liabilities—non-current (notes 6(23) and 9) | | 28,679,150 | 14 | 29,046,638 | 15 | 27,863,902 | 15 |
| 1517 | Financial assets at fair value through other comprehensive income—non-current (note 6(3)) | 2,255,290 | 1 | 1,444,845 | 1 | 1,243,679 | 1 | 2500 | | Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (16)) | | - | - | 466,831 | - | 1,144,392 | 1 |
| 1550 | Investments accounted for using equity method (note 6(7)) | 2,924,675 | 1 | 2,507,749 | 1 | 2,591,747 | 1 | 2530 | | Convertible bonds (note 6(16)) | | - | - | 23,793,835 | 12 | 26,300,925 | 14 |
| 1600 | Property, plant and equipment (notes 6(10) and 8) | 61,667,212 | 31 | 51,865,962 | 27 | 46,105,506 | 25 | 2531 | | Bonds payable (note 6(16)) | | 18,988,780 | 10 | 18,986,110 | 10 | 18,983,440 | 10 |
| 1755 | Right-of-use assets (note 6(11)) | 1,184,943 | 1 | 815,962 | - | 851,055 | 1 | 2540 | | Long-term borrowings (notes 6(15) and 8) | | 4,681,773 | 2 | 868,325 | - | 939,895 | 1 |
| 1780 | Intangible assets (note 6(12)) | 6,950,738 | 4 | 7,124,580 | 4 | 7,195,219 | 4 | 2550 | | Provisions—non-current (note 6(18)) | | 3,139,830 | 2 | 3,322,452 | 2 | 3,462,058 | 2 |
| 1840 | Deferred tax assets (note 6(19)) | 2,784,167 | 1 | 2,699,496 | 1 | 2,979,301 | 2 | 2570 | | Deferred tax liabilities (note 6(20)) | | 5,441,905 | 3 | 4,613,886 | 2 | 2,732,088 | 2 |
| 1980 | Other financial assets—non-current (notes 8 and 9) | 211,854 | - | 203,658 | - | 697,598 | - | 2670 | | Other non-current liabilities (notes 6(17), 7 and 9) | | 2,578,846 | 1 | 2,237,993 | 1 | 904,667 | - |
| 1990 | Other non-current assets (note 6(13)) | <u>6,772,535</u> | <u>3</u> | <u>4,563,740</u> | <u>2</u> | <u>4,065,121</u> | <u>2</u> | 2640 | | Net defined benefit liabilities (note 6(19)) | | <u>1,464,950</u> | <u>1</u> | <u>1,539,328</u> | <u>1</u> | <u>1,721,287</u> | <u>1</u> |
| | | <u>94,671,618</u> | <u>47</u> | <u>80,557,712</u> | <u>41</u> | <u>74,982,754</u> | <u>41</u> | | | | | <u>64,975,234</u> | <u>33</u> | <u>84,875,398</u> | <u>43</u> | <u>84,052,654</u> | <u>46</u> |
| | | | | | | | | | | Total liabilities | | <u>128,322,376</u> | <u>65</u> | <u>128,477,846</u> | <u>65</u> | <u>123,695,970</u> | <u>68</u> |
| | | | | | | | | | | Equity (note 6(21)): | | | | | | | |
| | | | | | | | | 3110 | | Ordinary shares | | <u>5,862,217</u> | <u>3</u> | <u>5,862,217</u> | <u>3</u> | <u>5,862,217</u> | <u>3</u> |
| | | | | | | | | 3200 | | Capital surplus | | <u>16,853,274</u> | <u>8</u> | <u>16,846,163</u> | <u>8</u> | <u>17,266,731</u> | <u>9</u> |
| | | | | | | | | 3300 | | Retained earnings | | <u>16,642,263</u> | <u>8</u> | <u>15,138,189</u> | <u>8</u> | <u>10,872,070</u> | <u>6</u> |
| | | | | | | | | 3400 | | Other equity interest | | <u>(6,188,163)</u> | <u>(3)</u> | <u>(5,973,997)</u> | <u>(3)</u> | <u>(6,824,542)</u> | <u>(4)</u> |
| | | | | | | | | | | Total equity attributable to shareholders of the Company | | <u>33,169,591</u> | <u>16</u> | <u>31,872,572</u> | <u>16</u> | <u>27,176,476</u> | <u>14</u> |
| | | | | | | | | 36XX | | Non-controlling interests (note 6(9)) | | <u>38,261,998</u> | <u>19</u> | <u>36,258,972</u> | <u>19</u> | <u>31,838,447</u> | <u>18</u> |
| | | | | | | | | | | Total equity | | <u>71,431,589</u> | <u>35</u> | <u>68,131,544</u> | <u>35</u> | <u>59,014,923</u> | <u>32</u> |
| Total assets | | <u>\$ 199,753,965</u> | <u>100</u> | <u>196,609,390</u> | <u>100</u> | <u>182,710,893</u> | <u>100</u> | | | Total liabilities and equity | | <u>\$ 199,753,965</u> | <u>100</u> | <u>196,609,390</u> | <u>100</u> | <u>182,710,893</u> | <u>100</u> |

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2023 and 2022

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

| | | For the three months ended June 30, | | | | For the six months ended June 30, | | | |
|------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------|--------------------|-------------|-----------------------------------|------------|--------------------|-------------|
| | | 2023 | | 2022 | | 2023 | | 2022 | |
| | | Amount | % | Amount | % | Amount | % | Amount | % |
| 4000 | Operating revenue (notes 6(23) and 7) | \$ 20,318,305 | 100 | 20,270,574 | 100 | 41,221,854 | 100 | 39,039,993 | 100 |
| 5000 | Operating costs (notes 6(6), (12), (18), (19), (24) and 7) | <u>13,346,165</u> | <u>66</u> | <u>12,005,829</u> | <u>59</u> | <u>26,657,285</u> | <u>65</u> | <u>23,313,070</u> | <u>60</u> |
| | Gross profit from operations | <u>6,972,140</u> | <u>34</u> | <u>8,264,745</u> | <u>41</u> | <u>14,564,569</u> | <u>35</u> | <u>15,726,923</u> | <u>40</u> |
| | Operating expenses (notes 6(10), (12), (18), (19), (24) and 7): | | | | | | | | |
| 6100 | Selling expenses | 416,820 | 2 | 459,291 | 2 | 847,147 | 2 | 905,382 | 2 |
| 6200 | Administrative expenses | 775,852 | 4 | 490,874 | 2 | 1,499,943 | 4 | 790,562 | 2 |
| 6300 | Research and development expenses | 692,574 | 3 | 510,777 | 3 | 1,309,057 | 3 | 1,021,647 | 3 |
| 6450 | Expected credit losses (reversal gains) (note 6(5)) | <u>(2,111)</u> | <u>-</u> | <u>(308)</u> | <u>-</u> | <u>21,123</u> | <u>-</u> | <u>(187)</u> | <u>-</u> |
| | Total operating expenses | <u>1,883,135</u> | <u>9</u> | <u>1,460,634</u> | <u>7</u> | <u>3,677,270</u> | <u>9</u> | <u>2,717,404</u> | <u>7</u> |
| | Net operating income | <u>5,089,005</u> | <u>25</u> | <u>6,804,111</u> | <u>34</u> | <u>10,887,299</u> | <u>26</u> | <u>13,009,519</u> | <u>33</u> |
| | Non-operating income and expenses: | | | | | | | | |
| 7100 | Interest income (notes 6(25) and 8) | 884,935 | 4 | 150,879 | 1 | 1,634,841 | 4 | 231,903 | 1 |
| 7020 | Other gains and losses (note 6(26)) | 858,962 | 4 | (2,349,542) | (12) | 1,050,053 | 3 | (7,866,468) | (20) |
| 7050 | Finance costs (note 6(25)) | (194,672) | (1) | (126,015) | (1) | (377,458) | (1) | (245,595) | (1) |
| 7060 | Share of profit (loss) of associates accounted for using equity method (note 6(7)) | <u>78,341</u> | <u>-</u> | <u>8,802</u> | <u>-</u> | <u>130,023</u> | <u>-</u> | <u>61,855</u> | <u>-</u> |
| | | <u>1,627,566</u> | <u>7</u> | <u>(2,315,876)</u> | <u>(12)</u> | <u>2,437,459</u> | <u>6</u> | <u>(7,818,305)</u> | <u>(20)</u> |
| | Income before income tax | <u>6,716,571</u> | <u>32</u> | <u>4,488,235</u> | <u>22</u> | <u>13,324,758</u> | <u>32</u> | <u>5,191,214</u> | <u>13</u> |
| 7950 | Less: Income tax expense (note 6(20)) | <u>1,988,695</u> | <u>10</u> | <u>1,286,224</u> | <u>6</u> | <u>3,882,401</u> | <u>9</u> | <u>(159,544)</u> | <u>-</u> |
| | Net income | <u>4,727,876</u> | <u>22</u> | <u>3,202,011</u> | <u>16</u> | <u>9,442,357</u> | <u>23</u> | <u>5,350,758</u> | <u>13</u> |
| 8300 | Other comprehensive income: | | | | | | | | |
| 8310 | Items that will not be reclassified subsequently to profit or loss | | | | | | | | |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | 52,012 | - | (318,734) | (2) | 99,600 | - | (392,801) | (1) |
| 8320 | Share of other comprehensive income of associates accounted for using equity method (notes 6(7) and (27)) | 129,331 | 1 | (342,625) | (2) | 280,074 | 1 | (929,704) | (2) |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(20)) | <u>15,944</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>52,664</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | <u>197,287</u> | <u>1</u> | <u>(661,359)</u> | <u>(4)</u> | <u>432,338</u> | <u>1</u> | <u>(1,322,505)</u> | <u>(3)</u> |
| 8360 | Items that may be reclassified subsequently to profit or loss | | | | | | | | |
| 8361 | Exchange differences on translation of foreign operations | 248,351 | 1 | (1,625,141) | (8) | (1,343,179) | (3) | (1,159,886) | (3) |
| 8370 | Share of other comprehensive income of associates accounted for using equity method (notes 6(7) and (27)) | (3,284) | - | (3,040) | - | (2,780) | - | 4,264 | - |
| 8399 | Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(20)) | <u>49,985</u> | <u>-</u> | <u>(324,218)</u> | <u>(2)</u> | <u>238,754</u> | <u>(1)</u> | <u>243,039</u> | <u>(1)</u> |
| | | <u>195,082</u> | <u>1</u> | <u>(1,303,963)</u> | <u>(6)</u> | <u>(1,107,205)</u> | <u>(2)</u> | <u>(912,583)</u> | <u>(2)</u> |
| 8300 | Other comprehensive income (after tax) | <u>392,369</u> | <u>2</u> | <u>(1,965,322)</u> | <u>(10)</u> | <u>(674,867)</u> | <u>(1)</u> | <u>(2,235,088)</u> | <u>(5)</u> |
| | Total comprehensive income | <u>\$ 5,120,245</u> | <u>24</u> | <u>1,236,689</u> | <u>6</u> | <u>8,767,490</u> | <u>22</u> | <u>3,115,670</u> | <u>8</u> |
| | Net income attributable to: | | | | | | | | |
| | Shareholders of Sino-American Silicon Products Inc. | \$ 2,432,202 | 11 | 1,821,066 | 9 | 4,901,661 | 12 | 3,086,138 | 7 |
| | Non-controlling interests | <u>2,295,674</u> | <u>11</u> | <u>1,380,945</u> | <u>7</u> | <u>4,540,696</u> | <u>11</u> | <u>2,264,620</u> | <u>6</u> |
| | | <u>\$ 4,727,876</u> | <u>22</u> | <u>3,202,011</u> | <u>16</u> | <u>9,442,357</u> | <u>23</u> | <u>5,350,758</u> | <u>13</u> |
| | Total comprehensive income attributable to: | | | | | | | | |
| | Shareholders of Sino-American Silicon Products Inc. | \$ 2,721,885 | 13 | 655,167 | 3 | 4,687,495 | 12 | 1,697,801 | 4 |
| | Non-controlling interests | <u>2,398,360</u> | <u>11</u> | <u>581,522</u> | <u>3</u> | <u>4,079,995</u> | <u>10</u> | <u>1,417,869</u> | <u>4</u> |
| | | <u>\$ 5,120,245</u> | <u>24</u> | <u>1,236,689</u> | <u>6</u> | <u>8,767,490</u> | <u>22</u> | <u>3,115,670</u> | <u>8</u> |
| | Earnings per share (NT dollars) (note 6(22)) | | | | | | | | |
| 9750 | Basic earnings per share | <u>\$ 4.15</u> | | <u>3.11</u> | | <u>8.36</u> | | <u>5.26</u> | |
| 9850 | Diluted earnings per share | <u>\$ 4.14</u> | | <u>3.10</u> | | <u>8.31</u> | | <u>5.24</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 six months ended June 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

| | Equity attributable to owners of parent | | | | | | Other equity interest | | | | | | |
|---------------------------------------------------------------------------------------|-----------------------------------------|-------------------|------------------|-------------------|----------------------------------|-------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------|-----------------------------|-------------------|---------------------------|-------------------|
| | Ordinary shares | Capital surplus | Legal reserve | Retained earnings | | Total retained earnings | Exchange differences on translation of foreign financial statements | Gains (losses) on equity instrument measured at fair value through other comprehensive income | Others | Total other equity interest | Total | Non-controlling interests | Total equity |
| | | | | Special reserve | Unappropriated 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 | - | - | - | - | 3,086,138 | 3,086,138 | - | - | - | - | 3,086,138 | 2,264,620 | 5,350,758 |
| Other comprehensive income for the period | - | - | - | - | - | - | (433,132) | (955,205) | - | (1,388,337) | (1,388,337) | (846,751) | (2,235,088) |
| Comprehensive income for the period | - | - | - | - | 3,086,138 | 3,086,138 | (433,132) | (955,205) | - | (1,388,337) | 1,697,801 | 1,417,869 | 3,115,670 |
| Legal reserve | - | - | 688,322 | - | (688,322) | - | - | - | - | - | - | - | - |
| Special reserve | - | - | - | 4,108,565 | (4,108,565) | - | - | - | - | - | - | - | - |
| Cash dividends on ordinary shares | - | - | - | - | (2,023,754) | (2,023,754) | - | - | - | - | (2,023,754) | - | (2,023,754) |
| Changes in equity of associates accounted for using equity method | - | (423,212) | - | - | - | - | - | - | 2,802 | 2,802 | (420,410) | (272,119) | (692,529) |
| Capital reduction to offset accumulated deficits | - | (614,243) | - | - | - | - | - | - | - | - | (614,243) | - | (614,243) |
| Compensation cost of issued restricted stock awards | - | - | - | - | - | - | - | - | - | - | - | (1,891,035) | (1,891,035) |
| Share retirement and awaiting retirement due to expiration of restricted stock awards | - | - | - | - | - | - | - | - | - | - | - | (1,509) | (1,509) |
| Cash dividends distributed by subsidiary | - | - | - | - | - | - | - | - | - | - | - | 8,959,385 | 8,959,385 |
| Balance at June 30, 2022 | <u>\$ 5,862,217</u> | <u>17,266,731</u> | <u>2,031,108</u> | <u>5,439,007</u> | <u>3,401,955</u> | <u>10,872,070</u> | <u>(5,338,666)</u> | <u>(1,482,622)</u> | <u>(3,254)</u> | <u>(6,824,542)</u> | <u>27,176,476</u> | <u>31,838,447</u> | <u>59,014,923</u> |
| Balance at January 1, 2023 | \$ 5,862,217 | 16,846,163 | 2,031,108 | 5,439,008 | 7,668,073 | 15,138,189 | (4,616,247) | (1,354,989) | (2,761) | (5,973,997) | 31,872,572 | 36,258,972 | 68,131,544 |
| Net income for the period | - | - | - | - | 4,901,661 | 4,901,661 | - | - | - | - | 4,901,661 | 4,540,696 | 9,442,357 |
| Other comprehensive income for the period | - | - | - | - | - | - | (554,824) | 340,658 | - | (214,166) | (214,166) | (460,701) | (674,867) |
| Comprehensive income for the period | - | - | - | - | 4,901,661 | 4,901,661 | (554,824) | 340,658 | - | (214,166) | 4,687,495 | 4,079,995 | 8,767,490 |
| Legal reserve | - | - | 874,160 | - | (874,160) | - | - | - | - | - | - | - | - |
| Special reserve | - | - | - | 534,990 | (534,990) | - | - | - | - | - | - | - | - |
| Cash dividends on ordinary shares | - | - | - | - | (3,400,085) | (3,400,085) | - | - | - | - | (3,400,085) | (2,084,719) | (5,484,804) |
| Changes in equity of associates accounted for using equity method | - | 7,111 | - | - | 2,498 | 2,498 | - | - | - | - | 9,609 | - | 9,609 |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | 7,750 | 7,750 |
| Balance at June 30, 2023 | <u>\$ 5,862,217</u> | <u>16,853,274</u> | <u>2,905,268</u> | <u>5,973,998</u> | <u>7,762,997</u> | <u>16,642,263</u> | <u>(5,171,071)</u> | <u>(1,014,331)</u> | <u>(2,761)</u> | <u>(6,188,163)</u> | <u>33,169,591</u> | <u>38,261,998</u> | <u>71,431,589</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 Cash Flows

For the six months ended June 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

| | For the six months ended June 30, | |
|--------------------------------------------------------------------------------------------|----------------------------------------------|-------------------|
| | 2023 | 2022 |
| Cash flows from operating activities: | | |
| Income before income tax | \$ 13,324,758 | 5,191,214 |
| Adjustments: | | |
| Adjustments to reconcile profit (loss): | | |
| Depreciation expenses | 3,953,964 | 3,217,015 |
| Amortization expenses | 183,701 | 121,431 |
| Expected credit losses (reversal gain) | 21,123 | (187) |
| Net (gain) loss on financial assets or liabilities at fair value through profit or loss | (261,911) | 10,031,099 |
| Interest expenses | 377,458 | 245,595 |
| Interest income | (1,634,841) | (231,903) |
| Dividend income | (415,401) | (401,384) |
| Shares of profit of associates accounted for using equity method | (130,023) | (61,855) |
| Loss (gain) on disposal of property, plant and equipment | (37,635) | (50,789) |
| Gains on disposal of investments | - | (81,331) |
| Recognition (reversal) of write-down of inventory | 157,235 | (25,680) |
| Reversal of provisions | (183,359) | (153,399) |
| Lease modification gain | (1,550) | - |
| Total adjustments | 2,028,761 | 12,608,612 |
| Changes in operating assets and liabilities: | | |
| Notes and accounts receivable (including related parties) | (114,147) | (2,269,071) |
| Inventories | (180,916) | (568,829) |
| Prepayments | 109,794 | 183,047 |
| Other financial assets | (235,724) | (92,262) |
| Contract liabilities | (1,697,462) | 5,900,822 |
| Notes and accounts payable (including related parties) | (2,589,325) | (94,848) |
| Net defined benefit liabilities | (74,378) | (116,145) |
| Other operating liabilities | 557,795 | (1,597,008) |
| Total changes in operating assets and liabilities | (4,224,363) | 1,345,706 |
| Total adjustments | (2,195,602) | 13,954,318 |
| Cash inflow generated from operations | 11,129,156 | 19,145,532 |
| Interest received | 1,273,871 | 216,199 |
| Dividends received | 415,401 | 384,565 |
| Interest paid | (207,137) | (68,095) |
| Income taxes paid | (3,931,950) | (1,367,977) |
| Net cash flows generated from operating activities | 8,679,341 | 18,310,224 |

(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 six months ended June 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

| | For the six months ended June 30, | |
|------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------|
| | 2023 | 2022 |
| Cash flows from investing activities: | | |
| Acquisition of financial assets at fair value through other comprehensive income | (621,428) | (155,419) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 11,077 | - |
| Proceeds from capital reduction of financial assets at fair value through other comprehensive income | 9,672 | 12,666 |
| Proceeds from disposal of financial assets at amortized cost | 330,000 | - |
| Acquisition of financial assets at fair value through profit or loss | - | (28,998) |
| Proceeds from disposal of financial assets at fair value through profit or loss | - | 1,442 |
| Acquisition of investments accounted for using equity method | - | (778,083) |
| Net cash inflows from disposal of investments accounted for using equity method | - | 60,108 |
| Cash dividends from investment accounted for using equity method | (34,437) | - |
| Acquisition of property, plant and equipment | (14,627,626) | (5,855,896) |
| Proceeds from disposal of property, plant and equipment | 126,426 | 50,358 |
| Acquisition of intangible assets | (5,043) | (9,254) |
| Net cash inflows (outflows) from business combination | (436,440) | 2,508,530 |
| Decrease (increase) in other financial assets | (20,163,044) | 678,399 |
| Net cash flows used in investing activities | (35,410,843) | (3,516,147) |
| Cash flows from financing activities: | | |
| Increase in short-term loans | 4,923,423 | 1,129,933 |
| Repayments of bonds | (12,669,975) | - |
| Increase in long-term borrowings | 4,707,567 | - |
| Repayments of long-term borrowings | (60,200) | (126,137) |
| Increase in guarantee deposits received | 39,203 | 10,015 |
| Repayment of the principal portion of lease liabilities | (104,229) | (101,721) |
| Cash dividends and capital surplus distribution | (3,257,330) | (3,751,986) |
| Change in non-controlling interests | 1,162 | - |
| Net cash flows used in financing activities | (6,420,379) | (2,839,896) |
| Effect of exchange rate changes on cash and cash equivalents | 1,569,127 | 744,230 |
| Increase (decrease) in cash and cash equivalents | (31,582,754) | 12,698,411 |
| Cash and cash equivalents at beginning of period | 83,247,854 | 67,117,906 |
| Cash and cash equivalents at end of period | \$ 51,665,100 | 79,816,317 |

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

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

1. Company history

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

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

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

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

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

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

The consolidated financial statements were authorized for issue by the Board of Directors on August 4, 2023.

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

3. New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

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

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

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

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

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

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

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

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

- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- IFRS16 “Requirements for Sale and Leaseback Transactions”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IAS12 “International Tax Reform – Pillar Two Model Rules”

4. Summary of material accounting policies:

(1) Statement of compliance

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

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

(2) Basis of consolidation

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

A. List of subsidiaries in the consolidated financial statements

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

| Name of Investor | Name of subsidiary | Business | Percentage of Ownership | | | Note |
|-------------------------------------|-------------------------------------|-----------------------------------------------------------------------------|--------------------------------|--------------------------|----------------------|-------------|
| | | | June 30, 2023 | December 31, 2022 | June 30, 2022 | |
| Sino-American Silicon Products Inc. | Sino Silicon Technology Inc. (SSTI) | Investment and triangular trade center with subsidiaries in China | 100% | 100% | 100% | Note 6 |
| Sino-American Silicon Products Inc. | GlobalWafers | Manufacturing and trading of semiconductor silicon materials and components | 51.17% | 51.17% | 51.17% | |
| Sino-American Silicon Products Inc. | Aleo Solar GmbH (Aleo Solar) | Solar cell manufacturing and sale and wholesale of electronic materials | 100% | 100% | 100% | Note 6 |
| Sino-American Silicon Products Inc. | SAS Sunrise Inc. | Investment activities | 100% | 100% | 100% | Note 6 |

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

| Name of Investor | Name of subsidiary | Business | Percentage of Ownership | | | Note |
|-------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------|-------------------|---------------|--------------|
| | | | June 30, 2023 | December 31, 2022 | June 30, 2022 | |
| Sino-American Silicon Products Inc. | Sunrise PV Three Co., Ltd. (Sunrise PV Three) | Power generating business | 100% | 100% | 100% | Note 6 |
| Sino-American Silicon Products Inc. | SAS Capital Co., Ltd. (SSH) | Investment activities | 100% | 100% | 100% | Note 6 |
| Sino-American Silicon Products Inc. | Sustainable Energy Solution Co., Ltd. (SES) | Energy technology service business | 100% | 100% | 100% | Note 6 |
| Sino-American Silicon Products Inc. | Taiwan Speciality Chemicals Corporation (Taiwan Speciality Chemicals) | Semiconductor special gas and chemical materials | 30.09% | 30.09% | 30.93% | Note 5 |
| Sino-American Silicon Products Inc. | Advanced Wireless Semiconductor Company (Advanced Wireless) | Manufacturing and trading of GaAs Wafers | 27.62% | 27.62% | 27.14% | Note 4 |
| SAS Sunrise Inc. | Sulu Electric Power and Light Inc. (Sulu) | Power generating business | 40% | 40% | 40% | Note 1 and 6 |
| SAS Sunrise Inc. | AMLED International Systems Inc. (AMLED) | Investment activities | - | - | - | Note 2 and 6 |
| AMLED | Sulu | Power generating business | 45% | 45% | 45% | Note 6 |
| Aleo Solar | Aleo Solar Distribuzione Italia S.r.l | Solar cell manufacturing and sale and wholesale of electronic materials | 100% | 100% | 100% | Note 6 |
| GlobalWafers | GlobalSemiconductor Inc. (GSI) | Investment activities | 100% | 100% | 100% | |
| GlobalWafers | GlobalWafers Inc. (GWI) | Investment activities | - | - | 100% | Note 3(4) |
| GlobalWafers | GlobalWafers Japan Co., Ltd. (GWJ) | Manufacturing and trading of semiconductor silicon materials | 100% | 100% | 100% | |
| GlobalWafers | GWafers Singapore Pte. Ltd. (GWafers Singapore) | Investment activities | 100% | 100% | 100% | Note 3(7) |
| GlobalWafers | Sunrise PV Four Co., Ltd. (Sunrise PV Four) | Power generating business | 100% | 100% | 100% | |
| GlobalWafers | Sunrise PV Electric Power Five Co., Ltd. (Sunrise PV Five) | Power generating business | 100% | 100% | 100% | |
| GlobalWafers | GWC Capital Co., Ltd (GWCH) | Investment activities | 100% | 100% | 100% | |
| GlobalWafers | GlobalWafers GmbH (GW GmbH) | Manufacturing and trading of semiconductor silicon materials | 100% | 100% | 99.95% | Note 3(2) |

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

| Name of Investor | Name of subsidiary | Business | Percentage of Ownership | | | Note |
|-------------------|--------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------|-------------------|---------------|--------------------|
| | | | June 30, 2023 | December 31, 2022 | June 30, 2022 | |
| GlobalWafers | GlobalWafers B.V. (GWBV) | Investment activities | 100% | 100% | - | Note 3(6) |
| GSI | Kunshan Sino Silicon Technology Co., Ltd. (SST) | Processing and trading of ingots and wafers | 100% | 100% | 100% | |
| GWJ | MEMC Japan Ltd. (MEMC Japan) | Manufacturing and trading of silicon wafers | 100% | 100% | 100% | |
| SST | MEMC Electronic Materials, Sdn Bhd (MEMC Sdn Bhd) | Semiconductor silicon wafer R&D, manufacturing and sales | 100% | 100% | 100% | |
| SST | Kunshan SST Trading Co., Ltd. (KST) | Sales marketing and trading activities | 100% | 100% | 100% | Note 3(3) |
| SST | Shanghai Sawyer Sherkai Technology Material Co., Ltd. (SSKT) | Manufacturing and sales of lithium tantalate and lithium niobate wafers | 100% | - | - | Note 3(9) |
| GWafers Singapore | GlobalWafers Singapore Pte Ltd. (GWS) | Investment holding and trading | - | 100% | 100% | Note 3(1) and 3(7) |
| GWS | GWBV | Investment activities | - | - | 100% | Note 3(6) |
| GWBV | MEMC Electronic Materials, SpA (MEMC SpA) | Manufacturing and trading of semiconductor silicon materials | 100% | 100% | 100% | |
| MEMC SpA | MEMC Electronic Materials France SarL (MEMC SarL) | Trading | 100% | 100% | 100% | |
| GWBV | MEMC Korea Company (MEMC Korea) | Manufacturing and trading of semiconductor silicon materials | 100% | 100% | 100% | |
| GWBV | MEMC Ipoh Sdn Bhd (MEMC Ipoh) | Manufacturing and trading of semiconductor silicon materials | 100% | 100% | 100% | |
| GWBV | GlobiTech Incorporated (GTI) | Epitaxial silicon wafer production and trade of epitaxy foundry business | 100% | 100% | 100% | |
| GWBV | Topsil GlobalWafers A/S (Topsil A/S) | Manufacturing and trading of semiconductor silicon materials | 100% | 100% | 100% | |
| GWBV | GW GmbH | Manufacturing and trading of semiconductor silicon materials | - | - | 0.05% | Note 3(2) |
| GTI | MEMC LLC | Semiconductor silicon wafer R&D, manufacturing and sales | 100% | 100% | 100% | |
| GTI | GlobalWafers America, LLC (GWA) | Manufacturing and trading of semiconductor silicon materials | 100% | 100% | - | Note 3(5) |

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

| Name of Investor | Name of subsidiary | Business | Percentage of Ownership | | | Note |
|------------------|--------------------------------------------|-------------------------------------------------------------------------|-------------------------|-------------------|---------------|-----------|
| | | | June 30, 2023 | December 31, 2022 | June 30, 2022 | |
| Topsil A/S | Topsil Semiconductor sp z.o.o. (Topsil PL) | Manufacturing and trading of silicon wafers | - | 100% | 100% | Note 3(8) |
| SSKT | Yuan Hong Technical Materials Ltd. (MHTM) | Manufacturing and sales of lithium tantalate and lithium niobate wafers | 90% | - | - | Note 3(9) |

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

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

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

- (1) Formerly known as SunEdison.
- (2) GW GmbH was originally 100% held by GWBV. On March 15, 2022, the Board of Directors of GlobalWafers approved directly to increase the capital of GW GmbH and obtain 99.95% of the equity of GW GmbH; on September 30, 2022, GlobalWafers acquired 0.05% equity of GW GmbH from GWBV, and the above investment were fully paid and registered.
- (3) KST was established in May 2022.
- (4) Liquidation procedures of GWI had been completed in November 2022.
- (5) GWA was established in August 2022.
- (6) In response to the Group's reorganization plan, GlobalWafers purchased all of GWBV's shares from GWS through the share purchase transaction approved by the Board of Directors on September 1, 2022, and completed the share transaction on November 7, 2022.
- (7) GWafers Singapore and GWS merged as of January 1, 2023, whereby GWafers Singapore absorbed GWS and was renamed to GWS.
- (8) Liquidation procedures of Topsil PL had been completed in June 2023.
- (9) Based on the resolution approved at the board meeting of SST held on February 3, 2023, the Group obtained entire equity interests of SSKT, and had completed the transfer of equity interests on April 23, 2023. In addition, MHTM is a subsidiary of SSKT; therefore, it is merged into the Group.

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

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

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

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

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

(3) Income tax

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

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

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

(4) Employee Benefits

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

6. Explanation of significant accounts:

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

(1) Cash and cash equivalents

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-----------------------------------------------------------------------|-----------------------------|------------------------------|--------------------------|
| Cash on hand | \$ 8,247 | 12,118 | 6,595 |
| Demand deposits | 22,230,980 | 45,695,674 | 18,699,298 |
| Time deposits | 29,138,440 | 37,447,741 | 60,685,520 |
| Repurchase agreement | 287,433 | 92,321 | 424,904 |
| Cash and cash equivalents in the consolidated statement of cash flows | <u><u>\$ 51,665,100</u></u> | <u><u>83,247,854</u></u> | <u><u>79,816,317</u></u> |

Sino-American Silicon Products Inc. and subsidiaries
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As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group considered liquidity and reclassified time deposits to other financial assets— current, amounting to 25,448,773 thousand, 5,194,689 thousand and 1,061,012 thousand, respectively.

Please refer to note 6(28) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

(2) Financial Assets and Liabilities at Fair Value through Profit or Loss (“FVTPL”)

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-------------------------------------------------------------------------------------------|----------------------------|------------------------------|--------------------------|
| Financial assets mandatorily measured at fair value through profit or loss — current: | | | |
| Beneficiary certificate | \$ - | - | 33,413 |
| Forward exchange contracts | <u>5,999</u> | <u>32,415</u> | <u>678</u> |
| | <u>\$ 5,999</u> | <u>32,415</u> | <u>34,091</u> |
| Financial assets mandatorily measured at fair value through profit or loss — non-current: | | | |
| Overseas securities held | \$ 9,712,412 | 9,145,927 | 9,037,301 |
| Privately offered funds | <u>207,792</u> | <u>185,793</u> | <u>216,227</u> |
| | <u>\$ 9,920,204</u> | <u>9,331,720</u> | <u>9,253,528</u> |
| Held-for-trading financial liabilities — current: | | | |
| Forward exchange contracts | \$ 4,712 | - | 11,750 |
| Swap exchange contract | 1,905 | 1,219 | - |
| Derivative instruments — convertible bonds | <u>338,607</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 345,224</u> | <u>1,219</u> | <u>11,750</u> |
| Financial assets mandatorily measured at fair value through profit or loss — non-current: | | | |
| Derivative instruments — convertible bonds | <u>\$ -</u> | <u>466,831</u> | <u>1,144,392</u> |

The amount of gains or losses recognized for the financial assets at fair value through profit or loss of the Group; please refer to note 6(26).

For the six months ended June 30, 2023 and 2022, the dividends of \$415,401 thousand and \$384,121 thousand were incurred from investments in financial assets mandatorily measured at fair value through profit or loss, respectively.

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The Group uses derivative instruments to hedge certain currency risk arising from the Group's operating activities. The Group held the following derivative instruments, which were not qualified for hedging accounting and accounted them as financial assets mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities as of June 30, 2023, December 31, 2022 and June 30, 2022:

| June 30, 2023 | | | | |
|--------------------------------------|-------------------------------------------|---------|-----------------|--------------------------------------|
| | Contract amount (in thousands) | | Currency | Maturity date |
| Forward exchange contracts: | | | | |
| Forward exchange contracts sold | USD | 33,750 | USD to EUR | September 28, 2023 |
| Swap exchange contract: | | | | |
| Currency exchange | EUR | 2,000 | EUR to NTD | July 12, 2023 |
| December 31, 2022 | | | | |
| | Contract amount (in thousands) | | Currency | Maturity date |
| Forward exchange contracts: | | | | |
| Forward exchange contracts purchased | EUR | 33,500 | USD to EUR | January 27, 2023~ March 29, 2023 |
| Swap exchange contract: | | | | |
| Currency exchange | EUR | 3,500 | EUR to USD | January 3, 2023~ January 10, 2023 |
| June 30, 2022 | | | | |
| | Contract amount (in thousands) | | Currency | Maturity date |
| Forward exchange contracts sold | USD | 28,900 | USD to EUR | July 28, 2022~ August 26, 2022 |
| Forward exchange contracts purchased | USD | 5,023 | JPY to KRW | July 29, 2022 |
| Forward exchange contracts purchased | JPY | 50,000 | JPY to EUR | August 26, 2022 |
| Forward exchange contracts purchased | JPY | 128,332 | JPY to KRW | July 29, 2022 |
| Forward exchange contracts purchased | EUR | 7 | EUR to KRW | July 29, 2022 |
| Forward exchange swap contracts | EUR | 2,000 | EUR to NTD | July 25, 2022 |

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

The financial assets mentioned above were not pledged as collateral.

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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|----------------------------------------------------------------------|----------------------------|------------------------------|--------------------------|
| Equity investments at fair value through other comprehensive income: | | | |
| Equity investment in foreign entities | \$ 1,048,615 | 1,115,001 | 1,033,487 |
| Equity investment in domestic entities | <u>1,206,675</u> | <u>329,844</u> | <u>210,192</u> |
| Total | <u><u>\$ 2,255,290</u></u> | <u><u>1,444,845</u></u> | <u><u>1,243,679</u></u> |

The Group designated the equity investments shown above as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

For the six months ended June 30, 2023 and 2022, the dividends of \$0 thousand and 13,849 thousand were incurred from investments in financial assets at fair value through other comprehensive income — non current, respectively.

No strategic investments were disposed for the six months ended June 30, 2023 and 2022, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

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

The financial assets mentioned above were not pledged as collateral.

(4) Financial assets measured at amortized cost — current

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-----------------------------------------------|--------------------------|------------------------------|--------------------------|
| Corporate bonds — Crystalwise Technology Inc. | \$ <u>-</u> | <u><u>331,609</u></u> | <u><u>331,591</u></u> |

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on the principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

In October 2021, the Group purchased the private corporate bonds of Crystalwise Technology Inc. for a one-year period at a principal amount of \$330,000 thousand. The coupon rate and effective interest rate were both 2.00%, and the bond is due in October 2022. On September 22, 2022, the Board of Directors resolved to extend the private issued corporate bonds for 6 months. The bond matures on May 2023, and the capital repayments will be made in full.

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

The financial assets mentioned above were not pledged as collateral.

(5) Notes and accounts receivable, net

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---------------------------------------|-----------------------------|------------------------------|--------------------------|
| Notes receivable | \$ 188,023 | 164,872 | 148,788 |
| Accounts receivable | 11,320,314 | 11,113,490 | 12,238,289 |
| Less: Allowance for doubtful accounts | <u>(26,960)</u> | <u>(23,317)</u> | <u>(11,057)</u> |
| | <u>\$ 11,481,377</u> | <u>11,255,045</u> | <u>12,376,020</u> |

The Group applied the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

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

| June 30, 2023 | | | |
|-----------------------------|--------------------------------------------------------------|---------------------------------------|----------------------------------|
| | Gross amount of notes and accounts receivable | Weighted-average loss rate | Credit loss allowance |
| Current | \$ 639,465 | 0% | - |
| 1 to 30 days past due | 27,284 | 0% | - |
| More than 181 days past due | <u>3,559</u> | 100% | <u>3,559</u> |
| Total | <u>\$ 670,308</u> | | <u>3,559</u> |
| December 31, 2022 | | | |
| | Gross amount of notes and accounts receivable | Weighted-average loss rate | Credit loss allowance |
| Current | \$ 905,528 | 0% | - |
| 1 to 30 days past due | 114,199 | 0% | - |
| More than 181 days past due | <u>4,197</u> | 100% | <u>4,197</u> |
| Total | <u>\$ 1,023,924</u> | | <u>4,197</u> |

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| | June 30, 2022 | | |
|-------------------------|--------------------------------------------------------------|---------------------------------------|----------------------------------|
| | Gross amount of notes and accounts receivable | Weighted-average loss rate | Credit loss allowance |
| Current | \$ 1,425,588 | 0% | - |
| 1 to 30 days past due | 147,381 | 0% | - |
| 91 to 120 days past due | 3,890 | 100% | 3,890 |
| Total | <u><u>\$ 1,576,859</u></u> | | <u><u>3,890</u></u> |

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

| | June 30, 2023 | | |
|-----------------------------|--------------------------------------------------------------|---------------------------------------|----------------------------------|
| | Gross amount of notes and accounts receivable | Weighted-average loss rate | Credit loss allowance |
| Current | \$ 10,554,622 | 0% | - |
| 1 to 30 days past due | 302,288 | 0% | - |
| 31 to 60 days past due | 12,894 | 11% | 1,463 |
| 61 to 90 days past due | 7,160 | 20% | 1,411 |
| 91 to 120 days past due | 2,819 | 100% | 2,819 |
| 121 to 150 days past due | 1,701 | 100% | 1,701 |
| More than 181 days past due | 16,007 | 100% | 16,007 |
| Total | <u><u>\$ 10,897,491</u></u> | | <u><u>23,401</u></u> |

| | December 31, 2022 | | |
|-----------------------------|--------------------------------------------------------------|---------------------------------------|----------------------------------|
| | Gross amount of notes and accounts receivable | Weighted-average loss rate | Credit loss allowance |
| Current | \$ 10,055,281 | 0% | - |
| 1 to 30 days past due | 226,020 | 0% | - |
| 31 to 60 days past due | 12,273 | 0% | 36 |
| 61 to 90 days past due | 25,002 | 21% | 5,335 |
| 91 to 120 days past due | 4,353 | 99% | 4,324 |
| More than 181 days past due | 9,425 | 100% | 9,425 |
| Total | <u><u>\$ 10,332,354</u></u> | | <u><u>19,120</u></u> |

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| | June 30, 2022 | | |
|-----------------------------|--------------------------------------------------------------|---------------------------------------|----------------------------------|
| | Gross amount of notes and accounts receivable | Weighted-average loss rate | Credit loss allowance |
| Current | \$ 10,545,712 | 0% | - |
| 1 to 30 days past due | 304,953 | 0% | - |
| 31 to 60 days past due | 1,461 | 2% | 27 |
| 61 to 90 days past due | 8,320 | 4% | 372 |
| More than 181 days past due | 6,768 | 100% | 6,768 |
| Total | <u><u>\$ 10,867,214</u></u> | | <u><u>7,167</u></u> |

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

| | For the six months ended June 30, | |
|----------------------------------------------------------------------------|----------------------------------------------|----------------------|
| | 2023 | 2022 |
| Balance on January 1 | \$ 23,317 | 11,275 |
| Expected credit loss recognized (Gain on reversal of impairment loss) | 21,123 | (187) |
| Current period amount to be written off which was considered uncollectible | (20,214) | - |
| Acquired thought acquisition | 2,710 | - |
| Foreign exchange gains (losses) | 24 | (31) |
| Balance on June 30 | <u><u>\$ 26,960</u></u> | <u><u>11,057</u></u> |

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

(6) Inventories

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|------------------|-----------------------------|------------------------------|--------------------------|
| Finished goods | \$ 2,937,911 | 2,559,516 | 1,926,314 |
| Work in progress | 2,927,529 | 3,000,636 | 2,732,035 |
| Raw materials | 5,029,030 | 5,229,428 | 5,088,159 |
| | <u><u>\$ 10,894,470</u></u> | <u><u>10,789,580</u></u> | <u><u>9,746,508</u></u> |

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Components of operating costs were as follows:

| | For the three months ended June 30, | | For the six months ended June 30, | |
|-------------------------------------------------------------------------|----------------------------------------|-------------------|--------------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Cost of goods sold | \$ 13,143,623 | 11,998,127 | 26,153,585 | 23,303,269 |
| Recognition (reversal) of provisions for inventory valuation loss | 43,862 | (18,420) | 157,235 | (25,680) |
| Unallocated fixed manufacturing expense | 236,689 | 102,951 | 508,659 | 190,020 |
| Reversal of provision loss | (78,009) | (76,829) | (162,194) | (154,539) |
| | <u>\$ 13,346,165</u> | <u>12,005,829</u> | <u>26,657,285</u> | <u>23,313,070</u> |

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

(7) Investments accounted for using equity method

| Names of affiliated companies | Operating activities | Main location/ country registered in | Percentage of equity ownership interests and voting rights | | |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------------|----------------------|------------------|
| | | | June 30, 2023 | December 31, 2022 | June 30, 2022 |
| Actron Technology Corporation (Actron) | Mainly engages in the manufacturing of electronic component | Taiwan | 22.75% | 22.75% | 22.75% |
| Crystalwise Technology Inc. (Crystalwise) | Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material | Taiwan | 31.61% | 31.61% | 31.60% |
| Hongwang Investment Co., Ltd. (Hongwang) | The main business is general trading | Taiwan | 30.98% | 30.98% | 30.98% |
| Accu Solar Corporation (ASC) | The main business is providing solar modules | Taiwan | 24.70% | 24.70% | 24.70% |
| Advanced Wireless Semiconductor Company (Advanced Wireless) | Mainly engages in the Manufacturing and trading of GaAs wafers | Taiwan | Note 4(2) | Note 4(2) | Note 4(2) |

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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|------------------------------------------------------------------|--------------------------|------------------------------|--------------------------|
| Carrying amount of individually insignificant associates' equity | \$ <u>2,924,675</u> | <u>2,507,749</u> | <u>2,591,747</u> |

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

| | For the three months ended June 30, | | For the six months ended June 30, | |
|----------------------------|------------------------------------------------|------------------|----------------------------------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Attributable to the Group: | | | | |
| Net income | \$ 78,341 | 8,802 | 130,023 | 61,855 |
| Other comprehensive income | <u>126,047</u> | <u>(345,665)</u> | <u>277,294</u> | <u>(925,440)</u> |
| Total comprehensive income | <u>\$ 204,388</u> | <u>(336,863)</u> | <u>407,317</u> | <u>(863,585)</u> |

A. Collateral

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

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

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

(8) Business combination

A. Acquiring SSKT as a subsidiary

(a) Considerations transferred to acquire a subsidiary

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

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

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

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

Goodwill arising from the business acquisitions was determined as follows:

| | |
|---------------------------------------------------------------------------------------------------------------------------|------------------|
| Consideration transferred | \$ 443,300 |
| Add: Non controlling interest in the acquiree, proportionate share of the fair value of the identifiable net assets | 6,588 |
| Less: fair value of the identifiable net assets | (417,309) |
| Goodwill | <u>\$ 32,579</u> |

- (b) From the date of acquisition to June 30, 2023 SSKT contributed revenue of \$27,499 thousand and loss of \$(17,733) thousand to the Group's operating results. If the acquisition had occurred on January 1, 2023, management estimated that consolidated revenue would have increased \$39,955 thousand, and consolidated profit for the six month period would have increased \$20,398 thousand.

B. Acquiring Advanced Wireless as a subsidiary

- (a) Considerations transferred to acquire a subsidiary

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

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- (b) The details of identifiable net assets obtained and the fair value of assets and liabilities assumed the recognized goodwill are as follows:

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

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

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

- (c) Intangible assets

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

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

(d) Pro forma of operating results

Since June 20, 2022, the operating results of Advanced Wireless have been merged into the consolidated comprehensive income statement of the Group. The net operating revenues and net profit after tax contributed are \$67,913 thousand and \$7,329 thousand, respectively. If it is assumed that the acquisition date occurred on January 1, 2022, the pro forma net operating revenues and net profit after tax of the Group from January 1 to December 31, 2022 will increase by \$1,198,982 thousand and \$74,473 thousand, respectively.

(9) Material non-controlling interests of subsidiaries

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

| Name of subsidiary | Main business place / company registered country | % of ownership interests under non-controlling interests as well as the voting rights | | |
|--------------------|--------------------------------------------------|---------------------------------------------------------------------------------------|-------------------|---------------|
| | | June 30, 2023 | December 31, 2022 | June 30, 2022 |
| GlobalWafers | Taiwan | 48.83 % | 48.83 % | 48.83 % |
| Advanced Wireless | Taiwan | 72.38 % | 72.38 % | 72.86 % |

The following information of the aforementioned subsidiary was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The financial information included the fair value adjustments made at the acquisition date. Intragroup transactions between the Company and GlobalWafers were not eliminated in this information.

A. The following summarizes the financial information of GlobalWafers:

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---------------------------|----------------------|-------------------|-------------------|
| Current assets | \$ 99,609,436 | 109,597,731 | 100,798,492 |
| Non-current assets | 73,501,440 | 59,898,247 | 54,530,396 |
| Current liabilities | (54,613,488) | (35,793,648) | (32,163,915) |
| Non-current liabilities | (59,452,914) | (79,378,325) | (78,276,019) |
| Net assets | <u>\$ 59,044,474</u> | <u>54,324,005</u> | <u>44,888,954</u> |
| Non-controlling interests | <u>\$ 28,831,417</u> | <u>26,526,412</u> | <u>21,919,197</u> |

| | For the three months ended June 30, | | For the six months ended June 30, | |
|---------------|-------------------------------------|-------------------|-----------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Sales revenue | <u>\$ 17,896,260</u> | <u>17,539,783</u> | <u>36,512,414</u> | <u>33,846,308</u> |

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| | For the three months ended | | For the six months ended | |
|-----------------------------------------------------------------|-----------------------------------|------------------|---------------------------------|-------------------|
| | June 30, | | June 30, | |
| | 2023 | 2022 | 2023 | 2022 |
| Net income | \$ 4,788,915 | 2,716,069 | 9,789,143 | 4,461,905 |
| Other comprehensive income | 215,042 | (1,631,032) | (940,511) | (1,722,558) |
| Net profit attributable to non-controlling interests | <u>\$ 5,003,957</u> | <u>1,085,037</u> | <u>8,848,632</u> | <u>2,739,347</u> |
| Net income, attributable to non-controlling interests | <u>\$ 2,338,645</u> | <u>1,326,256</u> | <u>4,780,256</u> | <u>2,178,748</u> |
| Comprehensive income, attributable to non-controlling interests | <u>\$ 2,443,753</u> | <u>529,823</u> | <u>4,321,108</u> | <u>1,337,623</u> |
| Net cash flows from operating activities | | | \$ 8,097,787 | 17,752,597 |
| Net cash flows from investing activities | | | (34,569,578) | (4,577,935) |
| Net cash flows from financing activities | | | (6,756,719) | (3,627,273) |
| Effects of changes in foreign exchange rates | | | 1,564,871 | 741,469 |
| Net increase (decrease) in cash and cash equivalents | | | <u>\$ (31,663,639)</u> | <u>10,288,858</u> |

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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|------------------------------------------------------|------------------------------------------------|----------------------------------------------|--------------------------|
| Current assets | \$ 2,735,970 | 2,689,541 | 3,533,491 |
| Non-current assets | 5,305,567 | 5,214,027 | 5,074,122 |
| Current liabilities | (531,795) | (408,343) | (1,048,655) |
| Non-current liabilities | (304,001) | (96,998) | (99,970) |
| Net assets | <u>\$ 7,205,741</u> | <u>7,398,227</u> | <u>7,458,988</u> |
| Net assets attributable to non-controlling interests | <u>\$ 5,215,515</u> | <u>5,354,837</u> | <u>5,434,619</u> |
| | For the three months ended June 30, | For the six months ended June 30, | |
| | 2023 | 2022 | 2023 |
| Sales revenue | <u>\$ 527,238</u> | <u>587,943</u> | <u>868,914</u> |
| | | | 2022 |
| | | | <u>1,198,982</u> |

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| | For the three months ended June 30, | | For the six months ended June 30, | |
|-----------------------------------------------------------------|----------------------------------------|-----------|--------------------------------------|--------|
| | 2023 | 2022 | 2023 | 2022 |
| Net income | \$ 1,961 | 3,104,662 | (193,649) | 74,473 |
| Net profit attributable to non-controlling interests | \$ 1,961 | 26,446 | (193,649) | 74,473 |
| Net income (loss), attributable to non-controlling interests | \$ 1,420 | Note 1 | (140,163) | Note 1 |
| Comprehensive income, attributable to non-controlling interests | \$ 1,420 | Note 1 | (140,163) | Note 1 |

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

| | For the six months ended June 30, | |
|-------------------------------------------|--------------------------------------|-----------|
| | 2023 | 2022 |
| Net cash flows from operating activities | \$ 127,782 | 158,099 |
| Net cash flows from investing activities | (286,226) | (697,355) |
| Net cash flows from financing activities | 208,216 | (2,897) |
| Net decrease in cash and cash equivalents | \$ 49,772 | (542,153) |

(10) Property, plant and equipment

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

| | Land | Buildings | Machinery and equipment | Other equipment | Construction in progress and equipment awaiting inspection | Total |
|-------------------------------------|--------------|------------|-------------------------|-----------------|------------------------------------------------------------|-------------|
| Cost: | | | | | | |
| Balance at January 1, 2023 | \$ 4,075,968 | 21,157,254 | 54,827,539 | 10,996,666 | 9,096,604 | 100,154,031 |
| Acquisition in business combination | - | - | 392,994 | 29,846 | 7,163 | 430,003 |
| Additions | 14,939 | 14,179 | 46,728 | 682,322 | 13,128,128 | 13,886,296 |
| Disposals | - | (22,394) | (426,837) | (207,755) | (5,161) | (662,147) |
| Reclassification and transfer | 1,183 | 2,326,044 | 1,971,774 | 492,660 | (4,574,326) | 217,335 |
| Effect of changes in exchange rates | (88,659) | (622,450) | (2,251,653) | (54,921) | 70,573 | (2,947,110) |
| Balance at June 30, 2023 | \$ 4,003,431 | 22,852,633 | 54,560,545 | 11,938,818 | 17,722,981 | 111,078,408 |

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| | Land | Buildings | Machinery and equipment | Other equipment | Construction in progress and equipment awaiting inspection | Total |
|-------------------------------------|---------------------|-------------------|--------------------------------|------------------------|-------------------------------------------------------------------|-------------------|
| Balance at January 1, 2022 | \$ 3,842,571 | 19,586,597 | 44,302,218 | 9,146,410 | 3,776,143 | 80,653,939 |
| Acquisition in business combination | - | 757,629 | 4,973,813 | 291,887 | 2,793,952 | 8,817,281 |
| Additions | - | 8,386 | 108,110 | 545,321 | 3,257,975 | 3,919,792 |
| Disposals | - | (24,361) | (849,096) | (36,702) | - | (910,159) |
| Reclassification and transfer | - | 138,473 | 2,401,798 | 124,880 | (2,834,005) | (168,854) |
| Effect of changes in exchange rates | (72,124) | (471,751) | (2,293,396) | 102,336 | (13,134) | (2,748,069) |
| Balance at June 30, 2022 | <u>\$ 3,770,447</u> | <u>19,994,973</u> | <u>48,643,447</u> | <u>10,174,132</u> | <u>6,980,931</u> | <u>89,563,930</u> |
| Depreciation and impairment loss: | | | | | | |
| Balance at January 1, 2023 | \$ - | 10,530,885 | 32,490,225 | 5,215,953 | 51,006 | 48,288,069 |
| Acquisition in business combination | - | - | 98,739 | 21,573 | - | 120,312 |
| Depreciation for the period | - | 406,592 | 3,042,476 | 407,417 | - | 3,856,485 |
| Disposals | - | (19,963) | (394,471) | (195,474) | - | (609,908) |
| Reclassification and transfer | - | 10 | 552 | 12,140 | (12,140) | 562 |
| Effect of changes in exchange rates | - | (395,209) | (1,824,421) | (25,238) | 544 | (2,244,324) |
| Balance at June 30, 2023 | <u>\$ -</u> | <u>10,522,315</u> | <u>33,413,100</u> | <u>5,436,371</u> | <u>39,410</u> | <u>49,411,196</u> |
| Balance at January 1, 2022 | \$ - | 9,687,568 | 26,362,424 | 4,163,335 | 12,140 | 40,225,467 |
| Acquisition in business combination | - | 60,614 | 3,139,764 | 251,462 | - | 3,451,840 |
| Depreciation for the period | - | 399,624 | 2,354,650 | 368,365 | - | 3,122,639 |
| Disposals | - | (18,688) | (847,678) | (36,573) | - | (902,939) |
| Reclassification and transfer | - | 161 | (300) | (2,221) | - | (2,360) |
| Effect of changes in exchange rates | - | (401,335) | (2,026,749) | (8,139) | - | (2,436,223) |
| Balance at June 30, 2022 | <u>\$ -</u> | <u>9,727,944</u> | <u>28,982,111</u> | <u>4,736,229</u> | <u>12,140</u> | <u>43,458,424</u> |
| Carrying amounts: | | | | | | |
| Balance at January 1, 2023 | <u>\$ 4,075,968</u> | <u>10,626,369</u> | <u>22,337,314</u> | <u>5,780,713</u> | <u>9,045,598</u> | <u>51,865,962</u> |
| Balance at June 30, 2023 | <u>\$ 4,003,431</u> | <u>12,330,318</u> | <u>21,147,445</u> | <u>6,502,447</u> | <u>17,683,571</u> | <u>61,667,212</u> |
| Balance at January 1, 2022 | <u>\$ 3,842,571</u> | <u>9,899,029</u> | <u>17,939,794</u> | <u>4,983,075</u> | <u>3,764,003</u> | <u>40,428,472</u> |
| Balance at June 30, 2022 | <u>\$ 3,770,447</u> | <u>10,267,029</u> | <u>19,661,336</u> | <u>5,437,903</u> | <u>6,968,791</u> | <u>46,105,506</u> |

B. Collateral

The property, plant and equipment of the Group had been pledged as collateral for long-term and short-term loans and credit lines. Please refer to note 8.

C. Property, plant and equipment construction in progress

Based on the Group's expansion plan, the total amount of expenditures incurred but the construction has not yet been completed is \$17,683,571 thousand.

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(11) Right-of-use assets

| | <u>Land</u> | <u>Buildings</u> | <u>Machinery and equipment</u> | <u>Other equipment</u> | <u>Total</u> |
|----------------------------|-------------|------------------|----------------------------------------|----------------------------|--------------|
| Carrying amount: | | | | | |
| Balance at January 1, 2023 | \$ 623,144 | 117,958 | 112 | 74,748 | 815,962 |
| Balance at June 30, 2023 | \$ 596,741 | 112,782 | 33 | 475,387 | 1,184,943 |
| Balance at January 1, 2022 | \$ 583,223 | 148,834 | 243 | 112,928 | 845,228 |
| Balance at June 30, 2022 | \$ 647,705 | 134,611 | 184 | 68,555 | 851,055 |

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

(12) Intangible assets

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

| | <u>Goodwill</u> | <u>Patents, expertise and trademarks</u> | <u>Development costs</u> | <u>Customer relationship and knowledge technology</u> | <u>Computer software</u> | <u>Total</u> |
|-------------------------------------|-----------------|------------------------------------------------------|------------------------------|-----------------------------------------------------------------------|------------------------------|--------------|
| Cost: | | | | | | |
| Balance at January 1, 2023 | \$ 3,021,845 | 2,980,488 | 283,615 | 2,985,600 | 146,204 | 9,417,752 |
| Acquisition in business combination | 32,579 | 33,362 | - | - | - | 65,941 |
| Additions | - | - | - | - | 5,043 | 5,043 |
| Reclassification | - | - | - | - | 34 | 34 |
| Disposals | - | - | - | - | (6,792) | (6,792) |
| Effect of changes in exchange rates | (61,890) | 764 | 8,937 | - | 1,192 | (50,997) |
| Balance at June 30, 2023 | \$ 2,992,534 | 3,014,614 | 292,552 | 2,985,600 | 145,681 | 9,430,981 |
| Balance at January 1, 2022 | \$ 2,285,772 | 2,249,195 | 272,823 | - | 75,178 | 4,882,968 |
| Acquisition in business combination | 543,441 | 1,460,100 | - | 2,243,400 | 30,309 | 4,277,250 |
| Additions | - | - | - | - | 9,254 | 9,254 |
| Reclassification | - | - | - | - | 864 | 864 |
| Disposals | - | - | - | - | (70) | (70) |
| Effect of changes in exchange rates | 19,442 | 9,017 | (5,621) | - | 5,218 | 28,056 |
| Balance at June 30, 2022 | \$ 2,848,655 | 3,718,312 | 267,202 | 2,243,400 | 120,753 | 9,198,322 |

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| | Goodwill | Patents, expertise and trademarks | Development costs | Customer relationship and knowledge technology | Computer software | Total |
|-------------------------------------|---------------------|------------------------------------------------------|------------------------------|-----------------------------------------------------------------------|------------------------------|------------------|
| Amortization: | | | | | | |
| Balance at January 1, 2023 | \$ - | 1,869,818 | 225,227 | 100,251 | 97,876 | 2,293,172 |
| Acquisition in business combination | - | 2 | - | - | - | 2 |
| Amortization for the period | - | 65,649 | 6,208 | 100,251 | 11,593 | 183,701 |
| Disposals | - | - | - | - | (6,792) | (6,792) |
| Effect of changes in exchange rates | - | 1,875 | 7,250 | - | 1,035 | 10,160 |
| Balance at June 30, 2023 | <u>\$ -</u> | <u>1,937,344</u> | <u>238,685</u> | <u>200,502</u> | <u>103,712</u> | <u>2,480,243</u> |
| Balance as of January 1, 2022 | \$ - | 1,589,132 | 204,180 | - | 64,307 | 1,857,619 |
| Acquisition in business combination | - | - | - | - | 14,713 | 14,713 |
| Amortization for the period | - | 112,531 | 6,210 | - | 2,690 | 121,431 |
| Reclassification | - | - | - | - | (70) | (70) |
| Effect of changes in exchange rates | - | 9,017 | (4,307) | - | 4,700 | 9,410 |
| Balance at June 30, 2022 | <u>\$ -</u> | <u>1,710,680</u> | <u>206,083</u> | <u>-</u> | <u>86,340</u> | <u>2,003,103</u> |
| Carrying amounts: | | | | | | |
| Balance at January 1, 2023 | <u>\$ 3,021,845</u> | <u>1,110,670</u> | <u>58,388</u> | <u>2,885,349</u> | <u>48,328</u> | <u>7,124,580</u> |
| Balance at June 30, 2023 | <u>\$ 2,992,534</u> | <u>1,077,270</u> | <u>53,867</u> | <u>2,785,098</u> | <u>41,969</u> | <u>6,950,738</u> |
| Balance at January 1, 2022 | <u>\$ 2,285,772</u> | <u>660,063</u> | <u>68,643</u> | <u>-</u> | <u>10,871</u> | <u>3,025,349</u> |
| Balance at June 30, 2022 | <u>\$ 2,848,655</u> | <u>2,007,632</u> | <u>61,119</u> | <u>2,243,400</u> | <u>34,413</u> | <u>7,195,219</u> |

(13) Other assets — current and non-current

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-------------------------|--------------------------|------------------------------|--------------------------|
| Prepayment of materials | \$ 1,058,958 | 1,166,814 | 1,539,977 |
| Tax refunds and credits | 880,991 | 775,112 | 636,944 |
| Prepayment of equipment | 5,904,142 | 3,544,427 | 2,575,882 |
| Others | 909,076 | 899,498 | 903,155 |
| | <u>\$ 8,753,167</u> | <u>6,385,851</u> | <u>5,655,958</u> |

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(14) Short-term borrowings

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|----------------------------------------------|----------------------|----------------------|--------------------|
| Unsecured bank loans | \$ 14,728,939 | 9,796,000 | 8,850,000 |
| Secured bank loans | 5,730 | - | - |
| Purchase of materials loan | - | - | 39,235 |
| | <u>\$ 14,734,669</u> | <u>9,796,000</u> | <u>8,889,235</u> |
| Unused credit lines | <u>\$ 62,393,140</u> | <u>50,900,688</u> | <u>41,763,776</u> |
| Range of interest rates at the end of period | <u>1.39%~5.85%</u> | <u>1.24%~1.99%</u> | <u>0.20%~1.03%</u> |

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

(15) Long-term borrowings

The details of long-term borrowings were as follows:

| June 30, 2023 | | | | |
|-----------------------|------------------|----------------------|------------------|--------------|
| | Currency | Interest | Maturity | Amount |
| Unsecured borrowings | JPY | 0.16%~0.28% | 2026.01~2026.03 | \$ 4,300,000 |
| Unsecured borrowings | USD | 6.33% | 2029.12 | 854,949 |
| Unsecured borrowings | NTD | 1.195%~1.33% | 2028.05 | 210,000 |
| Less: current portion | | | | (683,176) |
| Total | | | | \$ 4,681,773 |
| December 31, 2022 | | | | |
| | Currency | Interest | Maturity | Amount |
| Unsecured borrowings | USD | 5.22% | 2029.12 | \$ 903,641 |
| Less: current portion | | | | (35,316) |
| Total | | | | \$ 868,325 |
| June 30, 2022 | | | | |
| | Currency | Interest | Maturity | Amount |
| Unsecured borrowings | USD | 2.2047% | 2029.12 | \$ 974,073 |
| Less: current portion | | | | (34,178) |
| Total | | | | \$ 939,895 |
| | June 30, 2023 | December 31, 2022 | June 30, 2022 | |
| Unused credit lines | \$ 1,290,000 | 2,324,000 | - | |

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

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(16) Bonds payable

The details of bonds payable were as follow:

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-----------------------------|-----------------------------|------------------------------|--------------------------|
| Unsecured corporate bonds | \$ 18,988,780 | 18,986,110 | 18,983,440 |
| Unsecured convertible bonds | 11,430,933 | 23,793,835 | 26,300,925 |
| Less: current portion | (11,430,933) | - | - |
| Total | <u>\$ 18,988,780</u> | <u>42,779,945</u> | <u>45,284,365</u> |

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

The details of unsecured convertible bonds were as follow:

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|--------------------------|
| Total convertible bonds issued | \$ 11,836,793 | 24,787,249 | 27,565,891 |
| Unamortized discounted convertible bonds payable | (405,860) | (993,414) | (1,264,966) |
| Cumulative converted amount | - | - | - |
| Convertible bonds balance at period end | <u>\$ 11,430,933</u> | <u>23,793,835</u> | <u>26,300,925</u> |
| Embedded derivative – call and put options, included in financial liabilities at fair value through profit or loss | <u>\$ 338,607</u> | <u>466,831</u> | <u>1,144,392</u> |

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| | For the three months ended | | For the six months ended | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------|---------------------------------|------------------|
| | June 30, | | June 30, | |
| | 2023 | 2022 | 2023 | 2022 |
| Embedded derivatives – gain and losses of re measurement of call rights and put rights based on fair value (listed on other gains and losses) | \$ <u>(80,063)</u> | <u>(588,943)</u> | <u>77,120</u> | <u>(965,755)</u> |
| Interest expense | \$ <u>51,858</u> | <u>78,636</u> | <u>119,915</u> | <u>156,956</u> |

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

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

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

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

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

GlobalWafers redeemed the first unsecured overseas convertible bonds of US\$469,800 thousand and \$0 thousand in six months ended June 30, 2023 and 2022, resulting in the invalid conversion right of \$800,290 thousand and \$0 thousand to be reclassified from capital surplus – share options to capital surplus – others. As of June 30, 2023, December 31, 2022 and June 30, 2022, the balance of GlobalWafers first unsecured overseas convertible bonds amounted to US\$429,400 thousand, US\$899,200 thousand and US\$1,000,000 thousand, respectively.

(17) Lease liabilities

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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|--------------------------------------------------------------|---------------------|----------------------|------------------|
| Current (recognized under other current liabilities) | \$ <u>187,724</u> | <u>119,228</u> | <u>134,147</u> |
| Non-current (recognized under other non-current liabilities) | \$ <u>1,007,519</u> | <u>705,800</u> | <u>724,040</u> |

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

The amounts recognized in profit or loss were as follows:

| | For the three months ended June 30, | | For the six months ended June 30, | |
|--------------------------------------------------------------------------------------------------|----------------------------------------|--------------|--------------------------------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| Interest on lease liabilities | \$ <u>4,750</u> | <u>2,340</u> | <u>9,426</u> | <u>4,814</u> |
| Variable lease payments not included in the measurement of lease liabilities | \$ <u>1,723</u> | <u>826</u> | <u>3,230</u> | <u>1,601</u> |
| Expenses relating to short-term leases | \$ <u>6,600</u> | <u>5,984</u> | <u>15,119</u> | <u>12,222</u> |
| Expenses relating to leases of low value assets, excluding short term leases of low value assets | \$ <u>2,690</u> | <u>2,331</u> | <u>5,158</u> | <u>4,127</u> |

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

| | For the six months ended June 30, | |
|-------------------------------|----------------------------------------------|----------------|
| | 2023 | 2022 |
| Total cash outflow for leases | \$ 127,736 | 119,671 |

A. Land and Buildings lease

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

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

B. Other leases

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

(18) Provisions

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

| | Site restoration | Onerous contracts | Other | Total |
|----------------------------|-----------------------------|------------------------------|----------------|------------------|
| Balance of January 1, 2023 | \$ 59,888 | 3,583,065 | 121,055 | 3,764,008 |
| Balance of June 30, 2023 | \$ 58,753 | 3,420,873 | 102,254 | 3,581,880 |
| Balance of January 1, 2022 | \$ 68,325 | 3,900,040 | 9,936 | 3,978,301 |
| Balance of June 30, 2022 | \$ 66,671 | 3,745,502 | 11,668 | 3,823,841 |

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

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(19) Employee benefits

A. Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2022 and 2021. The expenses reported by the consolidated company for the three months and six months ended June 30, 2023 and 2022 were \$68,146 thousand, \$82,347 thousand, \$134,921 thousand and \$169,400 thousand, respectively.

B. Defined contribution plans

The retirement benefit expenses determined and allocated by the consolidated company for the three months and six months ended June 30, 2023 and 2022 under the defined benefit retirement plan were \$114,534 thousand, \$96,186 thousand, \$225,879 thousand and \$188,493 thousand, respectively.

(20) Income tax

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

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

| | For the three months ended | | For the six months ended | |
|--------------------------------------|----------------------------|------------------|--------------------------|------------------|
| | June 30, | | June 30, | |
| | 2023 | 2022 | 2023 | 2022 |
| Current income tax expense (benefit) | \$ <u>1,988,695</u> | <u>1,286,224</u> | <u>3,882,401</u> | <u>(159,544)</u> |

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

| | For the three months ended | | For the six months ended | |
|------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------|---------------------------------|------------------|
| | June 30, | | June 30, | |
| | 2023 | 2022 | 2023 | 2022 |
| Current income tax expense (benefit) Not reclassified to profit or loss items: | | | | |
| Unrealized gains or losses on equity investments measured at fair value through other comprehensive income | \$ <u>(15,944)</u> | <u>-</u> | <u>(52,664)</u> | <u>-</u> |
| Subsequent items that may be reclassified to profit or loss: | | | | |
| Exchange differences on the translation of financial statements foreign operations | \$ <u>49,985</u> | <u>324,218</u> | <u>(238,754)</u> | <u>(243,039)</u> |

C. Income tax assessment status

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

(21) Capital and other equity

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

A. Issuance of common stock

The Company increased capital in GDRs of \$610,000 thousand, and issued 61,000 thousand shares of common stock on the Luxembourg on September 9, 2010. The price issued per share was US\$2.9048. The total issuance amount is US\$177,193 thousand. The cash increase was approved by the Financial Supervisory Commission No. 0990041383. Letter on August 13, 2010. All shares issued were paid and registered on September 9, 2010. The net amount issued was US\$174,931 thousand after deducting the related agent cost US\$2,262 thousand, was equivalent to \$5,580,288 thousand on the day's closing exchange rates. The total premium amounting to \$4,958,757 thousand was recognized on capital surplus after deducting the related issuance cost of \$11,531 thousand.

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B. Capital surplus

The balances of capital surplus were as follows:

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|----------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|--------------------------|
| Additional paid in capital | \$ 7,195,673 | 7,195,673 | 7,682,237 |
| Difference between the consideration and the carrying amount of subsidiaries' share acquired or disposed | 1,447,251 | 1,447,251 | 1,381,661 |
| Capital surplus recognized under the equity method | 7,568,607 | 7,561,496 | 7,561,460 |
| Treasury stock transactions | 33,314 | 33,314 | 33,314 |
| Employee stock options | 608,429 | 608,429 | 608,059 |
| | <u>\$ 16,853,274</u> | <u>16,846,163</u> | <u>17,266,731</u> |

According to the R.O.C. Company Act Section 241, the legal reserve and capital surplus may be distributed as cash dividends or stock dividends to the shareholders in proportion to the number of shares held. Distribution of legal reserve and capital surplus, by way of cash dividends, should be approved by the Board of Directors in a meeting attended by two thirds of the total number of directors, with half of the directors' agreement; thereafter, be reported in the shareholders' meeting. The distribution of legal reserve and capital surplus through issuance of new shares shall be resolved during the shareholders' meeting.

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

C. Earnings distribution and dividend policy

The proposal of surplus earning distribution or loss off-setting for the first half fiscal year, together with the business report and financial statements, shall be forwarded to the audit committee for auditing before the end of the second half of the fiscal year; thereafter, be submitted to the Board of Directors for approval.

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

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

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

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

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

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

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

The earnings were appropriated as follows:

| | 2021 | |
|-------------------------------------------------|------------------------------------------------|-------------------------|
| | Dividends per share (NT dollar) | Amount |
| Dividends distributed to ordinary shareholders: | | |
| Appropriation of the first half of earnings | \$ 0.1067 | 62,550 |
| Appropriation of the annual earnings | 3.4522 | 2,023,754 |
| Total | <u><u>\$ 3.5589</u></u> | <u><u>2,086,304</u></u> |

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

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

D. Other equity, net of tax

| | Exchange differences on translation of foreign financial statements | Gains (losses) on equity instruments measured at fair value through other comprehensive income | Other | Total |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------|
| Balance at January 1, 2023 | \$ (4,616,247) | (1,354,989) | (2,761) | (5,973,997) |
| Exchange differences on translation of net assets of foreign operations | (552,044) | - | - | (552,044) |
| Exchange differences of associates accounted for using equity method | (2,780) | - | - | (2,780) |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | - | 143,942 | - | 143,942 |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates for using equity method | - | 196,716 | - | 196,716 |
| Balance at June 30, 2023 | <u><u>\$ (5,171,071)</u></u> | <u><u>(1,014,331)</u></u> | <u><u>(2,761)</u></u> | <u><u>(6,188,163)</u></u> |
| Balance at January 1, 2022 | \$ (4,905,534) | (527,417) | (6,056) | (5,439,007) |
| Exchange differences on translation of net assets of foreign operations | (437,396) | - | - | (437,396) |
| Exchange differences of associates accounting for using equity method | 4,264 | - | - | 4,264 |
| Compensation cost of restricted stock awards of associates accounted for using equity method | - | - | 2,802 | 2,802 |
| Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income | - | (385,451) | - | (385,451) |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates accounted for using equity method | - | (569,754) | - | (569,754) |
| Balance at June 30, 2022 | <u><u>\$ (5,338,666)</u></u> | <u><u>(1,482,622)</u></u> | <u><u>(3,254)</u></u> | <u><u>(6,824,542)</u></u> |

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

(22) Earnings per Share

A. Basic earnings per share

| | For the three months ended June 30, | | For the six months ended June 30, | |
|---------------------------------------------------------------------------------|------------------------------------------------|------------------|----------------------------------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net income attributable to the shareholders of the Company | <u>\$ 2,432,202</u> | <u>1,821,066</u> | <u>4,901,661</u> | <u>3,086,138</u> |
| Weighted average number of ordinary shares outstanding (in thousands of shares) | <u>586,222</u> | <u>586,222</u> | <u>586,222</u> | <u>586,222</u> |
| Basic earnings per share (NT dollar) | <u>\$ 4.15</u> | <u>3.11</u> | <u>8.36</u> | <u>5.26</u> |

B. Diluted earnings per share

| | For the three months ended June 30, | | For the six months ended June 30, | |
|-------------------------------------------------------------------------------------------|------------------------------------------------|------------------|----------------------------------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net income attributable to the shareholders of the Company | <u>\$ 2,432,202</u> | <u>1,821,066</u> | <u>4,901,661</u> | <u>3,086,138</u> |
| Weighted average number of ordinary shares outstanding (in thousands of shares) | 586,222 | 586,222 | 586,222 | 586,222 |
| Effect of dilutive potential ordinary shares (in thousands of shares) | <u>1,016</u> | <u>822</u> | <u>3,452</u> | <u>2,483</u> |
| Weighted-average number of ordinary shares outstanding (in thousands of shares) (diluted) | <u>587,238</u> | <u>587,044</u> | <u>589,674</u> | <u>588,705</u> |
| Diluted earnings per share (NT dollar) | <u>\$ 4.14</u> | <u>3.10</u> | <u>8.31</u> | <u>5.24</u> |

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Notes to the Consolidated Financial Statements

(23) Revenue from contracts with customers

A. Details of revenues

| For the three months ended June 30, | | | | | | |
|-------------------------------------|-----------------------|--------------------------------|-------------------|-----------------------|--------------------------------|-------------------|
| | 2023 | | | 2022 | | |
| | Semiconductor Segment | Solar energy Segment and other | Total | Semiconductor Segment | Solar energy Segment and other | Total |
| Primary geographical markets: | | | | | | |
| Taiwan | \$ 3,317,868 | 869,979 | 4,187,847 | 3,283,297 | 1,173,990 | 4,457,287 |
| Northeast Asia (Japan and Korea) | 4,153,500 | 4,372 | 4,157,872 | 5,038,788 | 152,231 | 5,191,019 |
| Asia-other | 4,658,001 | 145,096 | 4,803,097 | 3,821,687 | 257,707 | 4,079,394 |
| America | 2,275,871 | 429,810 | 2,705,681 | 2,280,355 | 718,005 | 2,998,360 |
| Europe | 3,734,548 | 452,775 | 4,187,323 | 2,941,351 | 351,319 | 3,292,670 |
| Other areas | 115,612 | 160,873 | 276,485 | 147,125 | 104,719 | 251,844 |
| | <u>\$ 18,255,400</u> | <u>2,062,905</u> | <u>20,318,305</u> | <u>17,512,603</u> | <u>2,757,971</u> | <u>20,270,574</u> |
| Major product categories: | | | | | | |
| Semiconductor wafers | \$ 17,865,134 | 10,863 | 17,875,997 | 17,233,028 | 12,400 | 17,245,428 |
| Solar cell | - | 622,369 | 622,369 | - | 774,684 | 774,684 |
| Solar module | - | 453,088 | 453,088 | - | 230,478 | 230,478 |
| Solar ingot | - | 222,351 | 222,351 | - | 791,355 | 791,355 |
| Semiconductor ingot | 315,586 | 735 | 316,321 | 238,662 | 291 | 238,953 |
| Solar wafer | - | 88,183 | 88,183 | - | 77,917 | 77,917 |
| Others | 74,680 | 665,316 | 739,996 | 40,913 | 870,846 | 911,759 |
| | <u>\$ 18,255,400</u> | <u>2,062,905</u> | <u>20,318,305</u> | <u>17,512,603</u> | <u>2,757,971</u> | <u>20,270,574</u> |
| For the six months ended June 30, | | | | | | |
| | 2023 | | | 2022 | | |
| | Semiconductor Segment | Solar energy Segment and other | Total | Semiconductor Segment | Solar energy Segment and other | Total |
| Primary geographical markets: | | | | | | |
| Taiwan | \$ 6,877,716 | 1,553,505 | 8,431,221 | 6,188,707 | 2,410,649 | 8,599,356 |
| Northeast Asia (Japan and Korea) | 9,325,199 | 18,620 | 9,343,819 | 10,058,248 | 152,398 | 10,210,646 |
| Asia-other | 8,950,381 | 373,158 | 9,323,539 | 7,312,772 | 481,085 | 7,793,857 |
| America | 4,388,544 | 960,023 | 5,348,567 | 4,316,548 | 1,292,204 | 5,608,752 |
| Europe | 7,396,075 | 868,304 | 8,264,379 | 5,676,053 | 712,374 | 6,388,427 |
| Other areas | 246,925 | 263,404 | 510,329 | 252,212 | 186,743 | 438,955 |
| | <u>\$ 37,184,840</u> | <u>4,037,014</u> | <u>41,221,854</u> | <u>33,804,540</u> | <u>5,235,453</u> | <u>39,039,993</u> |

Sino-American Silicon Products Inc. and subsidiaries
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| For the six months ended June 30, | | | | | | |
|-----------------------------------|-----------------------------|--------------------------------|--------------------------|--------------------------|--------------------------------|--------------------------|
| | 2023 | | | 2022 | | |
| | Semiconductor Segment | Solar energy Segment and other | Total | Semiconductor or Segment | Solar energy Segment and other | Total |
| Major product categories: | | | | | | |
| Semiconductor wafers | \$ 36,477,323 | 22,395 | 36,499,718 | 33,386,201 | 22,685 | 33,408,886 |
| Solar cell | - | 1,353,099 | 1,353,099 | - | 1,640,776 | 1,640,776 |
| Solar module | - | 818,531 | 818,531 | - | 673,379 | 673,379 |
| Solar ingot | - | 597,847 | 597,847 | - | 1,388,557 | 1,388,557 |
| Semiconductor ingot | 599,256 | 1,338 | 600,594 | 334,388 | 839 | 335,227 |
| Solar wafer | - | 103,021 | 103,021 | - | 141,325 | 141,325 |
| Others | <u>108,261</u> | <u>1,140,783</u> | <u>1,249,044</u> | <u>83,951</u> | <u>1,367,892</u> | <u>1,451,843</u> |
| | <u>\$ 37,184,840</u> | <u>4,037,014</u> | <u>41,221,854</u> | <u>33,804,540</u> | <u>5,235,453</u> | <u>39,039,993</u> |

B. Contract balances

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-----------------------------------------------------------|-----------------------------|--------------------------|--------------------------|
| Notes and accounts receivable (including related parties) | <u>\$ 11,540,839</u> | <u>11,332,961</u> | <u>12,433,016</u> |
| Contract liabilities | <u>\$ 38,257,195</u> | <u>39,561,054</u> | <u>37,388,783</u> |

The major change in the balance of contract liabilities is the advance consideration received from customers for the contracts, in which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the six months ended June 30, 2023 and 2022, which was included in the contract liability balance at the beginning of the period, was \$3,434,073 thousand and \$2,664,713 thousand, respectively.

(24) Remuneration to employees and directors

In accordance with the Articles of Incorporation of the Company, if there is profit in the year, the Company shall accrue 3% to 15% of the profit as employee's remuneration. The Board of Directors decides to distribute it by stock or cash, and the object of distribution includes employees meeting certain conditions; and the Board of Directors decides to accrue up to 3% of the above profit as directors' remuneration. The distribution of remuneration of employees and directors should be submitted and reported during the shareholders' meeting. In case the Company has an accumulated loss, it should reserve amounts to make up the losses prior to distributing remuneration to the employees and directors pursuant to the percentage mentioned in the preceding paragraph.

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For the three months and six months ended June 30, 2023 and 2022, the Company accrued and recognized its employee remuneration amounting to \$164,110 thousand, \$115,934 thousand, \$320,700 thousand and \$197,644 thousand and directors remuneration amounting \$15,000 thousand, \$15,000 thousand, \$30,000 thousand and \$30,000, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's Articles of Incorporation, and expensed under operating costs or expenses. If there would be any changes in accounting estimates, the changes shall be accounted for as profit or loss in the following year. If, however, the shareholders determine that the employee remuneration is to be distributed through share dividends, the calculation, based on the shares, shall be calculated using the share price on the day before the Board of Directors meeting. The difference between estimated amount and actual payment, if any, will be treated as change in accounting estimate and recognized in profit or loss in the following year.

The remuneration of Sino-American Silicon Products Inc. for employees in 2022 and 2021 were \$564,770 thousand and \$438,902 thousand, respectively. Remuneration for directors were \$55,000 thousand and \$45,000 thousand, respectively, and were not significantly different from actual distribution.

(25) Interest income and financial costs

A. Interest income

| | For the three months ended June 30, | | For the six months ended June 30, | |
|------------------------------------------------------------------|----------------------------------------|----------------|--------------------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Interest income from bank deposits | \$ 883,831 | 149,224 | 1,632,110 | 228,621 |
| Interest income from financial assets measured at amortized cost | 1,104 | 1,655 | 2,731 | 3,282 |
| | <u>\$ 884,935</u> | <u>150,879</u> | <u>1,634,841</u> | <u>231,903</u> |

B. Financial costs

| | For the three months ended June 30, | | For the six months ended June 30, | |
|-------------------------------------|----------------------------------------|----------------|--------------------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Interest expense of borrowings | \$ 109,754 | 16,729 | 191,792 | 27,501 |
| Interest expense of corporate bonds | 80,168 | 106,946 | 176,240 | 213,280 |
| Interest expense of lease liability | 4,750 | 2,340 | 9,426 | 4,814 |
| | <u>\$ 194,672</u> | <u>126,015</u> | <u>377,458</u> | <u>245,595</u> |

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(26) Other gains and losses

| | For the three months ended June 30, | | For the six months ended June 30, | |
|-----------------------------------------------------------------------------------------------|----------------------------------------|--------------------|--------------------------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Foreign exchange gains | \$ 258,992 | 998,046 | 352,794 | 1,933,789 |
| Profit (loss) on financial assets (liabilities) measured at fair value through profit or loss | 336,990 | (3,749,704) | 426,327 | (10,318,448) |
| Gain on disposal of property, plant and equipment | 50,420 | 2,268 | 37,635 | 50,789 |
| Dividend income | 413,320 | 401,384 | 415,401 | 401,384 |
| Gain on disposal of investees | - | 43,119 | - | 81,331 |
| Others | (200,760) | (44,655) | (182,104) | (15,313) |
| | <u>\$ 858,962</u> | <u>(2,349,542)</u> | <u>1,050,053</u> | <u>(7,866,468)</u> |

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

| | For the three months ended June 30, | | For the six months ended June 30, | |
|------------------------------------------------------------------------------------------------|----------------------------------------|------------------|--------------------------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Exchange differences on translation of foreign operations | \$ (3,284) | (3,040) | (2,780) | 4,264 |
| Unrealized gains (losses) on financial assets at fair value through other comprehensive income | 129,331 | (342,625) | 280,074 | (929,704) |
| | <u>\$ 126,047</u> | <u>(345,665)</u> | <u>277,294</u> | <u>(925,440)</u> |

(28) Financial instruments

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

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

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(b) Concentration of credit risk

The main customers of the Group are from the solar and silicon wafer industries. The Group generally sets credit limits to its customers according to their credit evaluations. Therefore, the credit risk of the Group is mainly influenced by the solar and silicon wafer industry. As of June 30, 2023, December 31 and June 30, 2022, 39%, 45% and 40%, respectively, of the Group's accounts receivable (including related parties) were from the top 10 customers. Although there is a potential for concentration of credit risk, the Group routinely assesses the collectability of the accounts receivable and makes a corresponding allowance for doubtful accounts.

(c) Credit risks of receivables and debt securities

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

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

B. Liquidity risk

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

| | <u>Carrying amount</u> | <u>Contractual cash flows</u> | <u>Within 6 months</u> | <u>6-12 months</u> | <u>1-2 years</u> | <u>2-5 years</u> | <u>Over 5 years</u> |
|------------------------------------------------------------------------------|----------------------------|-----------------------------------|----------------------------|--------------------|------------------|------------------|-------------------------|
| June 30, 2023 | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Short-term borrowings | \$ 14,734,669 | (14,824,770) | (14,272,681) | (552,089) | - | - | - |
| Notes and accounts payable (including related parties) | 4,823,125 | (4,823,125) | (4,800,064) | (23,061) | - | - | - |
| Long-term borrowings (including current portion) | 5,364,949 | (5,717,574) | (141,649) | (612,346) | (2,196,341) | (2,028,751) | (738,487) |
| Current and non-current lease liabilities | 1,195,243 | (1,262,890) | (103,231) | (96,417) | (165,186) | (294,188) | (603,868) |
| Ordinary corporate bonds | 18,988,780 | (19,321,500) | (67,900) | (40,300) | (7,208,200) | (12,005,100) | - |
| Convertible corporate bonds | 11,430,933 | (11,836,794) | - | (11,836,794) | - | - | - |
| Dividends payable | 5,484,804 | (5,484,804) | (5,484,804) | - | - | - | - |
| Accrued remuneration of directors (recorded under other current liabilities) | 181,180 | (181,180) | (142,260) | (38,920) | - | - | - |
| Payroll and bonus payable | 5,113,421 | (5,113,421) | (3,775,608) | (1,337,813) | - | - | - |

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| | <u>Carrying amount</u> | <u>Contractual cash flows</u> | <u>Within 6 months</u> | <u>6-12 months</u> | <u>1-2 years</u> | <u>2-5 years</u> | <u>Over 5 years</u> |
|---------------------------------------------------------------------------------------|----------------------------|-----------------------------------|----------------------------|---------------------|--------------------|---------------------|-------------------------|
| Derivative financial | | | | | | | |
| Swap exchange contracts: | | | | | | | |
| Outflows | 1,905 | (69,525) | (69,525) | - | - | - | - |
| Inflows | - | 67,620 | 67,620 | - | - | - | - |
| Forward exchange contracts: | | | | | | | |
| Outflows | - | (1,049,590) | (1,049,590) | - | - | - | - |
| Inflows | 1,287 | 1,050,877 | 1,050,877 | - | - | - | - |
| | <u>\$ 67,320,296</u> | <u>(68,566,676)</u> | <u>(28,788,815)</u> | <u>(14,537,740)</u> | <u>(9,569,727)</u> | <u>(14,328,039)</u> | <u>(1,342,355)</u> |
| December 31, 2022 | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Short-term borrowings | \$ 9,796,000 | (9,806,010) | (9,806,010) | - | - | - | - |
| Notes and accounts payable (including related parties) | 5,130,488 | (5,130,488) | (5,111,833) | (18,655) | - | - | - |
| Long-term borrowings (including current portion) | 903,641 | (1,203,109) | (43,865) | (40,784) | (80,646) | (236,406) | (801,408) |
| Current and non-current lease liabilities | 825,028 | (890,554) | (70,699) | (64,372) | (116,256) | (208,611) | (430,616) |
| Ordinary corporate bonds | 18,986,110 | (19,361,800) | (40,300) | (67,900) | (7,208,200) | (12,045,400) | - |
| Convertible corporate bonds | 23,793,835 | (23,787,249) | - | - | - | (23,787,249) | - |
| Dividends payable | 3,257,330 | (3,257,330) | (3,257,330) | - | - | - | - |
| Accrued remuneration of directors (recorded under other current liabilities) | 127,888 | (127,888) | (73,528) | (54,360) | - | - | - |
| Payroll and bonus payable | 4,392,988 | (4,392,988) | (3,192,876) | (1,200,112) | - | - | - |
| Derivative financial | | | | | | | |
| Swap exchange contracts: | | | | | | | |
| Outflows | 1,219 | (115,739) | (115,739) | - | - | - | - |
| Inflows | - | 114,520 | 114,520 | - | - | - | - |
| Forward exchange contracts: | | | | | | | |
| Outflows | - | (1,053,481) | (1,053,481) | - | - | - | - |
| Inflows | 32,415 | 1,085,896 | 1,085,896 | - | - | - | - |
| | <u>\$ 67,246,942</u> | <u>(67,926,220)</u> | <u>(21,565,245)</u> | <u>(1,446,183)</u> | <u>(7,405,102)</u> | <u>(36,277,666)</u> | <u>(1,232,024)</u> |

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Notes to the Consolidated Financial Statements

| June 30, 2022 | <u>Carrying Amount</u> | <u>Contractual cash flows</u> | <u>Within 6 months</u> | <u>6-12 months</u> | <u>1-2 years</u> | <u>2-5 years</u> | <u>Over 5 years</u> |
|------------------------------------------------------------------------------|-----------------------------------|------------------------------------------|-----------------------------------|---------------------------|-------------------------|----------------------------|--------------------------------|
| Non-derivative financial liabilities | | | | | | | |
| Short-term borrowings | \$ 8,889,235 | (8,899,942) | (8,348,667) | (551,275) | - | - | - |
| Notes and accounts payable (including related parties) | 4,629,412 | (4,629,412) | (4,612,529) | (16,883) | - | - | - |
| Long-term borrowings (including current portion) | 974,073 | (1,115,392) | (18,530) | (17,277) | (34,932) | (109,316) | (935,337) |
| Current and non-current lease liabilities | 858,187 | (933,118) | (95,300) | (59,330) | (103,167) | (219,907) | (455,414) |
| Convertible corporate bonds | 18,983,440 | (19,429,700) | (67,900) | (40,300) | (108,200) | (19,213,300) | - |
| Dividends payable | 26,300,925 | (27,565,891) | - | - | - | (27,565,891) | - |
| Accrued remuneration of directors (recorded under other current liabilities) | 4,801,150 | (4,801,150) | (4,801,150) | - | - | - | - |
| Other accrued expenses (recorded under other current liabilities) | 131,219 | (131,219) | (121,450) | (9,769) | - | - | - |
| Payroll and bonus payable | 3,962,396 | (3,962,396) | (3,120,405) | (841,991) | - | - | - |
| Derivative financial liabilities | | | | | | | |
| Swap exchange contracts: | | | | | | | |
| Outflows | - | (62,379) | (62,379) | - | - | - | - |
| Inflows | 220 | 62,599 | 62,599 | - | - | - | - |
| Forward exchange contracts: | | | | | | | |
| Outflows | 11,292 | (1,024,318) | (1,024,318) | - | - | - | - |
| Inflows | - | 1,013,026 | 1,013,026 | - | - | - | - |
| | <u>\$ 69,541,549</u> | <u>(71,479,292)</u> | <u>(21,197,003)</u> | <u>(1,536,825)</u> | <u>(246,299)</u> | <u>(47,108,414)</u> | <u>(1,390,751)</u> |

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

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C. Currency risk

(a) Exposure to foreign currency risk

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

| June 30, 2023 | | | |
|------------------------------|-----------------------------|----------------------|------------|
| | Foreign currency | Exchange rate | NTD |
| <u>Financial assets</u> | | | |
| <u>Monetary Items</u> | | | |
| USD | \$ 544,082 | 31.14 | 16,942,713 |
| JPY | 12,566,721 | 0.215 | 2,701,845 |
| EUR | 204,541 | 33.81 | 6,915,531 |
| CNY | 29,356 | 4.282 | 125,702 |
| <u>Non-monetary items</u> | | | |
| USD | 17,550 | 31.14 | Note |
| <u>Financial liabilities</u> | | | |
| <u>Monetary Items</u> | | | |
| USD | 303,622 | 31.14 | 9,454,789 |
| JPY | 15,010,821 | 0.215 | 3,227,327 |
| EUR | 70,184 | 33.81 | 2,372,921 |
| CNY | 52,363 | 4.282 | 224,218 |
| <u>Non-monetary items</u> | | | |
| USD | 16,200 | 31.14 | Note |
| EUR | 2,000 | 33.81 | Note |
| December 31, 2022 | | | |
| | Foreign currency | Exchange rate | NTD |
| <u>Financial assets</u> | | | |
| <u>Monetary Items</u> | | | |
| USD | \$ 1,295,777 | 30.71 | 39,793,312 |
| JPY | 5,678,414 | 0.2324 | 1,319,663 |
| EUR | 109,741 | 32.72 | 3,590,726 |
| CNY | 28,962 | 4.408 | 127,664 |
| <u>Non-monetary items</u> | | | |
| USD | 33,500 | 30.71 | Note |

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| December 31, 2022 | | | |
|------------------------------|-----------------------------|----------------------|------------|
| | Foreign currency | Exchange rate | NTD |
| <u>Financial liabilities</u> | | | |
| <u>Monetary Items</u> | | | |
| USD | 1,398,542 | 30.71 | 42,949,225 |
| JPY | 10,001,886 | 0.2324 | 2,324,438 |
| EUR | 98,588 | 32.72 | 3,225,799 |
| CNY | 48,084 | 4.408 | 211,954 |
| <u>Non-monetary items</u> | | | |
| EUR | 3,500 | 32.72 | Note |
| June 30, 2022 | | | |
| | Foreign currency | Exchange rate | NTD |
| <u>Financial assets</u> | | | |
| <u>Monetary Items</u> | | | |
| USD | \$ 1,259,264 | 29.72 | 37,425,326 |
| JPY | 5,787,823 | 0.2182 | 1,262,903 |
| EUR | 106,692 | 31.05 | 3,312,787 |
| CNY | 426,874 | 4.439 | 1,894,894 |
| <u>Non-monetary items</u> | | | |
| USD | 6,000 | 29.72 | Note |
| JPY | 50,000 | 0.2182 | Note |
| EUR | 2,000 | 31.05 | Note |
| <u>Financial liabilities</u> | | | |
| <u>Monetary Items</u> | | | |
| USD | 465,116 | 29.72 | 13,823,248 |
| JPY | 12,160,223 | 0.2182 | 2,653,361 |
| EUR | 112,156 | 31.05 | 3,482,444 |
| CNY | 67,378 | 4.439 | 299,091 |
| <u>Non-monetary items</u> | | | |
| USD | 27,293 | 29.72 | Note |
| JPY | 128,322 | 0.2182 | Note |
| EUR | 7 | 31.05 | Note |

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

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(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, long and short-term loans, and notes and accounts payables that are denominated in foreign currency. A weakening (strengthening) of 1% of the NTD against the USD, JPY, EUR and CNY as of June 30, 2023 and 2022, net income before income taxes would have decreased or increased by \$114,065 thousand and increased or decreased by \$236,378 thousand for the six months ended June 30, 2023 and 2022, respectively. The analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(c) Foreign exchange gain and losses on monetary exchange

Since the Group has many kinds of functional currencies, the information on foreign exchange gain on monetary items is disclosed by an aggregate amount. For the three months and six months ended June 30, 2023 and 2022, foreign exchange losses (including realized and unrealized portions) amounted to \$258,992 thousand, \$998,046 thousand, \$352,794 thousand and \$1,933,789 thousand, respectively.

D. Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial liabilities.

The following sensitivity analysis is based on the exposure to interest rates. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased or decreased by 0.25%, the Group's net income before income tax would have increased or decreased by \$2,674 thousand and \$11,053 thousand, for the six months ended June 30, 2023 and 2022, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's bank deposits and borrowings with variable rates.

E. Other price risk

For the six months ended June 30, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

| | For the six months ended June 30, | | | |
|--------------------------------------------|---------------------------------------|------------|---------------------------------------|------------|
| | 2023 | | 2022 | |
| | Other comprehensive income before tax | Net income | Other comprehensive income before tax | Net income |
| Prices of securities at the reporting date | | | | |
| Increasing 5% | \$ 112,765 | 485,621 | 62,184 | 451,865 |
| Decreasing 5% | (112,765) | (485,621) | (62,184) | (451,865) |

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F. Fair value of financial instruments

(a) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

| | Carrying amount | June 30, 2023 | | | |
|-----------------------------------------------------------------------------------|--------------------|---------------|---------|---------|-----------|
| | | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets measured at fair value through profit or loss-current | | | | | |
| Forward exchange contract | \$ 5,999 | - | 5,999 | - | 5,999 |
| Financial assets at fair value through profit or loss — non-current | | | | | |
| Private equity | \$ 207,792 | - | - | 207,792 | 207,792 |
| Overseas securities | 9,712,412 | 9,712,412 | - | - | 9,712,412 |
| Subtotal | \$ 9,920,204 | 9,712,412 | - | 207,792 | 9,920,204 |
| Financial assets measured at fair value through other comprehensive income | | | | | |
| Stocks listed on domestic markets | \$ 1,029,944 | 1,029,944 | - | - | 1,029,944 |
| Overseas securities | 507,973 | 507,973 | - | - | 507,973 |
| Emerging stock | 54,651 | - | 54,651 | - | 54,651 |
| Non-public offer equity instrument measured at fair value | 662,722 | - | - | 662,722 | 662,722 |
| Subtotal | \$ 2,255,290 | 1,537,917 | 54,651 | 662,722 | 2,255,290 |
| Financial assets measured at amortized cost: | | | | | |
| Cash and cash equivalents | \$ 51,665,100 | - | - | - | - |
| Notes and accounts receivable (including related parties) | 11,543,943 | - | - | - | - |
| Other financial assets — current and non-current | 29,204,057 | - | - | - | - |
| Subtotal | \$ 92,413,100 | - | - | - | - |
| Financial liabilities measured at fair value through profit or loss: | | | | | |
| Forward exchange contract | \$ 4,712 | - | 4,712 | - | 4,712 |
| Swap exchange contract | 1,905 | - | 1,905 | - | 1,905 |
| Convertible corporate bonds embedded in derivative instruments | 338,607 | - | 338,607 | - | 338,607 |
| Subtotal | \$ 345,224 | - | 345,224 | - | 345,224 |

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| | | June 30, 2023 | | | |
|-----------------------------------------------------------------------------------|-----------------------|-------------------|----------------|----------------|------------------|
| | | Carrying amount | Fair value | | |
| | | | Level 1 | Level 2 | Level 3 |
| | | | | | Total |
| Financial liabilities measured at amortized cost: | | | | | |
| Short-term borrowings | \$ 14,734,669 | - | - | - | - |
| Notes and accounts receivable (including related parties) | 4,823,125 | - | - | - | - |
| Long-term borrowings (including current portion) | 5,364,949 | - | - | - | - |
| Dividends payable | 5,484,804 | - | - | - | - |
| Accrued remuneration of directors (recorded under other current liabilities) | 181,180 | - | - | - | - |
| Salary and bonus payable | 5,113,421 | - | - | - | - |
| Convertible corporate bonds | 18,988,780 | - | - | - | - |
| Ordinary corporate bonds | 11,430,933 | - | - | - | - |
| Current and non-current lease liabilities | 1,195,243 | - | - | - | - |
| Subtotal | <u>\$ 67,317,104</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | | |
| | | December 31, 2022 | | | |
| | | Carrying amount | Fair value | | |
| | | | Level 1 | Level 2 | Level 3 |
| | | | | | Total |
| Financial assets measured at fair value through profit or loss-current | | | | | |
| Forward exchange contract | <u>\$ 32,415</u> | <u>-</u> | <u>32,415</u> | <u>-</u> | <u>32,415</u> |
| Financial assets at fair value through profit or loss — non-current | | | | | |
| Private equity | \$ 185,793 | - | - | 185,793 | 185,793 |
| Overseas securities | 9,145,927 | 9,145,927 | - | - | 9,145,927 |
| Subtotal | <u>\$ 9,331,720</u> | <u>9,145,927</u> | <u>-</u> | <u>185,793</u> | <u>9,331,720</u> |
| Financial assets measured at fair value through other comprehensive income | | | | | |
| Stocks listed on domestic markets | \$ 186,844 | 186,844 | - | - | 186,844 |
| Overseas securities | 673,747 | 673,747 | - | - | 673,747 |
| Non-public offer equity instrument measured at fair value | 584,254 | - | - | 584,254 | 584,254 |
| Subtotal | <u>\$ 1,444,845</u> | <u>860,591</u> | <u>-</u> | <u>584,254</u> | <u>1,444,845</u> |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | \$ 83,247,854 | - | - | - | - |
| Notes and accounts receivable (including related parties) | 11,338,088 | - | - | - | - |
| Other financial assets — current and non-current | 8,693,679 | - | - | - | - |
| Corporate bonds — current | 331,609 | - | 331,609 | - | 331,609 |
| Subtotal | <u>\$ 103,611,230</u> | <u>-</u> | <u>331,609</u> | <u>-</u> | <u>331,609</u> |

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| December 31, 2022 | | | | | |
|------------------------------------------------------------------------------|-----------------|------------|---------|---------|-----------|
| | Carrying amount | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial liabilities measured at fair value through profit or loss: | | | | | |
| Forward exchange contract | \$ 1,219 | - | 1,219 | - | 1,219 |
| Convertible corporate bonds embedded in derivative instruments | 466,831 | - | 466,831 | - | 466,831 |
| Subtotal | \$ 468,050 | - | 468,050 | - | 468,050 |
| Financial liabilities measured at amortized cost: | | | | | |
| Short-term borrowings | \$ 9,796,000 | - | - | - | - |
| Notes and accounts receivable (including related parties) | 5,130,488 | - | - | - | - |
| Long-term borrowings (including current portion) | 903,641 | - | - | - | - |
| Dividends payable | 3,257,330 | - | - | - | - |
| Accrued remuneration of directors (recorded under other current liabilities) | 127,888 | - | - | - | - |
| Salary and bonus payable | 4,392,988 | - | - | - | - |
| Convertible corporate bonds | 23,793,835 | - | - | - | - |
| Ordinary corporate bonds | 18,986,110 | - | - | - | - |
| Current and non-current lease liabilities | 825,028 | - | - | - | - |
| Subtotal | \$ 67,213,308 | - | - | - | - |
| June 30, 2022 | | | | | |
| | Carrying amount | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value through profit or loss-current | | | | | |
| Forward exchange contract | \$ 678 | - | 678 | - | 678 |
| Overseas securities held | 33,413 | 33,413 | - | - | 33,413 |
| | \$ 34,091 | 33,413 | 678 | - | 34,091 |
| Financial assets at fair value through profit or loss—non-current | | | | | |
| Private equity | \$ 216,227 | - | - | 216,227 | 216,227 |
| Overseas securities | 9,037,301 | 9,037,301 | - | - | 9,037,301 |
| Subtotal | \$ 9,253,528 | 9,037,301 | - | 216,227 | 9,253,528 |
| Financial assets measured at fair value through other comprehensive income | | | | | |
| Stocks listed on domestic markets | \$ 205,192 | 205,192 | - | - | 205,192 |
| Overseas securities | 457,688 | 457,688 | - | - | 457,688 |
| Non-public offer equity instrument measured at fair value | 580,799 | - | - | 580,799 | 580,799 |
| Subtotal | \$ 1,243,679 | 662,880 | - | 580,799 | 1,243,679 |

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| | | June 30, 2022 | | | |
|------------------------------------------------------------------------------|----------------------|-----------------|------------------|----------|------------------|
| | | Carrying amount | Fair value | | |
| | | | Level 1 | Level 2 | Level 3 |
| | | | | | Total |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | \$ 79,816,317 | - | - | - | - |
| Notes and accounts receivable (including related parties) | 12,435,819 | - | - | - | - |
| Other financial assets — current and non-current | 4,470,574 | - | - | - | - |
| Corporate bonds — current | 331,591 | - | 331,591 | - | 331,591 |
| Subtotal | <u>\$ 97,054,301</u> | <u>-</u> | <u>331,591</u> | <u>-</u> | <u>331,591</u> |
| Financial liabilities measured at fair value through profit or loss: | | | | | |
| Forward exchange contract | \$ 11,750 | - | 11,750 | - | 11,750 |
| Convertible corporate bonds embedded in derivative instruments | 1,144,392 | - | 1,144,392 | - | 1,144,392 |
| | <u>\$ 1,156,142</u> | <u>-</u> | <u>1,156,142</u> | <u>-</u> | <u>1,156,142</u> |
| Financial liabilities measured at amortized cost: | | | | | |
| Short-term borrowings | \$ 8,889,235 | - | - | - | - |
| Notes and accounts receivable (including related parties) | 4,629,412 | - | - | - | - |
| Long-term borrowings (including current portion) | 974,073 | - | - | - | - |
| Dividends payable | 4,801,150 | - | - | - | - |
| Accrued remuneration of directors (recorded under other current liabilities) | 131,219 | - | - | - | - |
| Salary and bonus payable | 3,962,396 | - | - | - | - |
| Convertible corporate bonds | 26,300,925 | - | - | - | - |
| Ordinary corporate bonds | 18,983,440 | - | - | - | - |
| Current and non-current lease liabilities | 858,187 | - | - | - | - |
| Subtotal | <u>\$ 69,530,037</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

(b) Valuation technique for financial instruments that are not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

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(c) Valuation technique of fair value of financial instruments measured at fair value

i. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

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

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

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

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

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

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

ii. Derivative financial instruments

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

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(d) Reconciliation of Level 3 fair value

The Group's financial instruments which belong to Level 3 fair value were financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss. The movements were as follows:

| | Financial assets at fair value through profit or loss | Financial assets at fair value through other comprehensive income |
|------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Balance at January 1, 2023 | \$ 185,793 | 584,254 |
| Addition | - | 94,250 |
| Recognized in profit or loss | 33,076 | - |
| Recognized in other comprehensive income | - | 9,866 |
| Payback of capital contribution | (11,077) | - |
| Refund | - | (9,672) |
| Reclassification | - | (21,000) |
| Effect of changes in exchange rate | - | 5,024 |
| Balance at June 30, 2023 | <u><u>\$ 207,792</u></u> | <u><u>662,722</u></u> |
| Balance at January 1, 2022 | \$ 195,163 | 401,748 |
| Addition | 28,998 | 193,970 |
| Recognized in profit or loss | (7,934) | - |
| Recognized in other comprehensive income | - | (16,168) |
| Refund | - | (12,666) |
| Effect of changes in exchange rate | - | 13,915 |
| Balance at June 30, 2022 | <u><u>\$ 216,227</u></u> | <u><u>580,799</u></u> |

(e) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include financial assets at fair value through other comprehensive income – equity investments.

Most of the fair value measurements categorized within Level 3 use a single significant unobservable input. Equity investments without an active market contain multiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

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Quantified information of significant unobservable inputs was as follows:

| <u>Item</u> | <u>Valuation technique</u> | <u>Significant unobservable inputs</u> | <u>Relationship between significant unobservable inputs and fair value</u> |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial assets at fair value through other comprehensive income equity investments without an active market | Comparable listed companies approach | <ul style="list-style-type: none"> · Equity value multiplier (as of June 30, 2023 , December 31, 2022 and June 30, 2022 were 2.29%~2.85% , 2.07%~2.85% and 0.73%~3.2%, respectively) · Market liquidity discount rate (June 30, 2023 , December 31, 2022 and June 30, 2022 were all 28%) | <ul style="list-style-type: none"> · The higher the multiplier, the higher the fair value · The higher the lack of market liquidity, the lower the fair value |

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

(e) For the six months ended June 30, 2023 and 2022, there has been no transfer at fair value level.

(29) Financial risk management

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

(30) Capital management

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

(31) Cash flow information

The Group's investing and financing activities which did not affect the current cash flow for the six months ended June 30, 2023 and 2022 were as follows:

For acquiring right of use assets by leasing, please refer to note 6(11).

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Reconciliations of liabilities arising from financing activities were as follows:

| | January 1, 2023 | Cash flows | Foreign exchange movement and others | June 30, 2023 |
|---------------------------------------------|----------------------------|--------------------|---------------------------------------------------------|----------------------|
| Short-term borrowings | \$ 9,796,000 | 4,923,423 | 15,246 | 14,734,669 |
| Long-term borrowings | 903,641 | 4,647,367 | (186,059) | 5,364,949 |
| Lease liabilities | 825,028 | (104,229) | 474,444 | 1,195,243 |
| Bonds payable | 42,779,945 | (12,669,975) | 309,743 | 30,419,713 |
| Guarantee deposit received | 1,558,715 | 39,203 | - | 1,597,918 |
| Total liabilities from financing activities | <u>\$ 55,863,329</u> | <u>(3,164,211)</u> | <u>613,374</u> | <u>53,312,492</u> |

| | January 1, 2022 | Cash flows | Foreign exchange movement and others | June 30, 2022 |
|---------------------------------------------|----------------------------|-------------------|---------------------------------------------------------|----------------------|
| Short-term borrowings | \$ 7,759,302 | 1,129,933 | - | 8,889,235 |
| Long-term borrowings | 1,030,876 | (126,137) | 69,334 | 974,073 |
| Lease liabilities | 852,666 | (101,721) | 107,242 | 858,187 |
| Bonds payable | 45,124,740 | - | 159,625 | 45,284,365 |
| Guarantee deposit received | 1,397 | 10,015 | 2,000 | 13,412 |
| Total liabilities from financing activities | <u>\$ 54,768,981</u> | <u>912,090</u> | <u>338,201</u> | <u>56,019,272</u> |

7. Related-party transactions:

(1) Names and relationships of related parties

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

| Names of related parties | Relationship with the Group |
|------------------------------------------------------|-----------------------------------------------------------------------------|
| Actron | SAS's management is the director of the Company / An associate of the Group |
| ASC | An associate of the Group |
| Crystalwise | An associate of the Group |
| YuanHong (ShanDong) Technical Materials Ltd.(“YHTM”) | Subsidiary an associate of the Group |
| YuanHong Technical Materials Ltd. (“MHTM”) (Note) | Subsidiary of an associate of the Group |

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

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(2) Significant transactions with related parties

A. Sales

The amounts of significant sales transactions and engineering contract revenue between the Group and related parties were as follows:

| | For the three months ended June 30, | | For the six months ended June 30, | |
|------------|----------------------------------------|---------------|--------------------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Associates | \$ <u>68,544</u> | <u>70,677</u> | <u>147,896</u> | <u>139,425</u> |

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

For the six months ended June 30, 2023 and 2022, the credit terms for third parties were 0 to 120 days after month-end and 0 to 60 days after month-end, respectively. Those for related parties were 30 to 90 days after month-end both in the period ended June 30, 2023 and 2022.

B. Purchase and process outsourcing

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

| | For the three months ended June 30, | | For the six months ended June 30, | |
|------------|----------------------------------------|----------|--------------------------------------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Associates | \$ <u>1,054</u> | <u>-</u> | <u>1,115</u> | <u>-</u> |

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

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

C. Receivables from related parties

The receivables from related parties were as follows:

| Items | Categories | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|----------------------------------|------------|------------------|----------------------|------------------|
| Receivables from related parties | Associate | \$ <u>59,462</u> | <u>77,916</u> | <u>56,996</u> |

D. Payables to related parties

The payables to related parties were as follows:

| Items | Categories | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|----------------------------|------------|------------------|----------------------|------------------|
| Payable to related parties | Associate | \$ <u>1,049</u> | <u>73</u> | <u>-</u> |

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

E. Borrowings from Related Parties

For the six month period ended June 30, 2023 and 2022, the financing loans from related parties during the period were as follow:

| | June 30, 2023 | | |
|------------------------|-----------------------|-----------------------------|-------------------------|
| | Ending balance | Interest rate period | Interest expense |
| Related parties | | | |
| Other related parties | <u>\$ 18,498</u> | <u>3.7%</u> | <u>339</u> |

As of June 30, 2023, the outstanding amount of interest unpaid was \$339 thousand.

F. Transactions of property, plant and equipment

(a) Disposition of property, plant and equipment

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

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

(b) Acquisition of property, plant and equipment

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

| | | For the six months ended June 30, | |
|------------|--------|-----------------------------------|----------------------------|
| | | 2023 | 2022 |
| | Amount | Payable to related parties | Payable to related parties |
| Associates | \$ 350 | 368 | - |

(c) On April 23, 2023, the Group acquired 100% of the shares and voting interests in SSKT at the price of \$443,300 thousand, which was fully paid.

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G. Corporate bonds

For the three months and six months ended June 30, 2023 and 2022, interest income amounted to \$1,104 thousand, \$1,655 thousand, \$2,731 thousand and \$3,282 thousand, respectively. As of June 30, 2023, December 31, 2022 and June 30, 2022, the accumulated investment cost and interest receivable amounted to \$0 thousand, \$331,609 thousand and \$331,591 thousand, respectively and were recorded in financial assets measured at amortized cost-current.

H. Lease

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

| | For the three months ended June 30, | | For the six months ended June 30, | |
|------------|----------------------------------------|--------------|--------------------------------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| Associates | \$ <u>6,609</u> | <u>9,222</u> | <u>14,274</u> | <u>16,381</u> |

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

I. Payment and advances from other transactions

- (a) The receivables from related parties and payables to related parties generated from other material purchases on behalf of related parties, insurance and utilities payments and manpower support of related parties as of June 30, 2023, December 31 and June 30, 2022 were as follows:

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|------------|-------------------|----------------------|------------------|
| Associates | \$ 1,996 | 1,994 | 586 |
| Associates | (4,880) | (1,122) | (455) |
| | <u>\$ (2,884)</u> | <u>872</u> | <u>131</u> |

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

(3) Key management personnel compensation

Key management personnel compensation comprised of:

| | For the three months ended June 30, | | For the six months ended June 30, | |
|--------------------------|----------------------------------------|----------------|--------------------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Post-employment benefits | \$ 189,891 | 99,977 | 359,162 | 168,856 |
| Share-based payment | 519 | 263 | 1,002 | 515 |
| | <u>\$ 190,410</u> | <u>100,240</u> | <u>360,164</u> | <u>169,371</u> |

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8. Pledged assets:

The carrying values of pledged assets were as follows:

| <u>Asset name</u> | <u>Pledge or Mortgage underlying subject</u> | <u>June 30, 2023</u> | <u>December 31, 2022</u> | <u>June 30, 2022</u> |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------|------------------------------|--------------------------|
| Property, plant and equipment | Long-term and short-term borrowings and credit lines | \$ 3,198,312 | 3,501,797 | 3,201,055 |
| Time deposits (recognized in other financial assets—current) | Performance bond | 10,695 | 10,629 | 10,629 |
| Time deposits (recognized in other financial assets—non-current) | Guarantee for the lease contract with the Hsinchu Science Park Bureau | 51,840 | 51,836 | 51,921 |
| Time deposits (recognized in other financial assets—non-current) | Guarantee for gas consumption from CPC Corporation | 2,000 | 2,000 | 2,000 |
| Time deposits (recognized in other financial assets—non-current) | Guarantee payment for import VAT | 14,000 | 14,000 | 14,000 |
| Time deposits (recognized in other financial assets—non-current) | Guarantee for bank financing projects | - | 107,836 | - |
| Time deposits/deposit guarantee (recognized in other financial assets—non-current) | Court litigation | 19,638 | 19,638 | 2,222 |
| Time deposits (recognized in other financial assets—non-current) | Court litigation | - | - | 19,418 |
| Time deposits (recognized in other financial assets—non-current) | Bureau of energy subsidy plan | 7,749 | 4,952 | - |
| Time deposits (recognized in other financial assets—non-current) | Guarantee for bank financing projects | 8,000 | 8,000 | - |
| Time deposits (recognized in other financial assets—non-current) | Guarantees of acceptances bill | - | - | 103,995 |
| | | <u>\$ 3,312,234</u> | <u>3,720,688</u> | <u>3,405,240</u> |

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9. Commitments and contingencies:

The significant contingent liabilities and unrecognized contractual commitments were as follows:

(1) Significant unrecognized contractual commitments

- A. The purchase amounts for future delivery from suppliers under the existing agreements as of June 30, 2023, December 31 and June 30, 2022, amounted to \$36,019,227 thousand, \$33,461,162 thousand and \$34,022,457 thousand, respectively.
- B. In response to the long-term purchase contract referred above, the Company has silicon wafer long-term sales contracts signed with the customers since the year 2005. These companies agree to pay the non-refundable funds to the Company. The two parties agreed to have silicon wafers sold in accordance with the agreed quantity and price. If the delivery has not been made in compliance with the contract signed, a sales discount or an amount equivalent to 1.5-4 times of the advance sales receipts from customers as remuneration should be granted. If the delay of shipment has not been resolved for more than three months, the outstanding pre-payment should be refunded. In addition, in response to the price decline arising from the falling demand, solar energy battery customers and the Company will negotiate the selling price and adjusting the average selling price in accordance with market conditions.

The amount of delivery according to the existing contracts and current market conditions is as follows:

(Unit: currency in thousands)

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-----|------------------|----------------------|------------------|
| USD | \$ <u>19,294</u> | <u>21,865</u> | <u>20,196</u> |
| EUR | \$ <u>14,065</u> | <u>13,066</u> | <u>12,175</u> |

- C. As of June 30, 2023, December 31 and June 30, 2022, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to \$64,311,260 thousand, \$27,954,076 and \$19,092,170 thousand, respectively.
- D. As of June 30, 2023, December 31 and June 30, 2022, the total amount of promissory notes deposited by the Group at the bank for acquiring bank financing were \$63,951,822 thousand, \$52,334,293 and \$48,356,556 thousand, respectively.
- E. As of June 30, 2023, December 31 and June 30, 2022, a guarantee letter for the Customs Administration and Research and Development which the Group requested a bank to issue amounted to \$130,500 thousand, \$140,599 and \$94,500 thousand, respectively.
- F. As of June 30, 2023, December 31 and June 30, 2022, the Group's outstanding standby letters of credit that were issued amounted to \$272,572 thousand, \$157,689 and \$119,933 thousand, respectively.

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- G. The Group had a long-term sales contract with some customers and received the advance payment. The customer is required to order minimum quantity according to the contract. As of June 30, 2023, December 31 and June 30, 2022, a guarantee letter for the customer which the Group requested a bank to issue amounted to \$4,593,345 thousand, \$4,685,036 and \$3,344,073 thousand, respectively.
- H. GlobalWafers Co., Ltd. had made an application of the Management, Utilization, and Taxation of Repatriated Offshore Funds Act to the tax authorities on February 21, 2020 and November 28, 2019. Up to 5% of the funds could be withdrawn and freely utilized. The remaining 95% can only be withdrawn for the investments approved by the Ministry of Economic Affairs, R.O.C. upon the elapse of five full years after the date of depositing the fund into a segregated foreign exchange deposit account. GlobalWafers Co., Ltd. had made an application to utilize the fund for capital investment. The fund is planned to utilize for factory extension, purchase of factory's facilities and other related capital expenditure. GlobalWafers Co., Ltd. has applied to the Ministry of Economic Affairs for substantial investments that were expected to be used for plant expansion and capital expenditure. As of June 30, 2023, December 31 and June 30, 2022, the balance of the account was \$3,026,739 thousand, \$2,967,304 and \$3,083,237 thousand, respectively, and recognized as other current and non-current financial assets.
- I. GlobalWafers Co., Ltd.'s board resolved to acquire Siltronic AG outstanding shares at EUR125 per share on December 9, 2020. GlobalWafers Co., Ltd. and Siltronic AG signed a business combination agreement on December 10, 2020, wherein the Group issued a EUR50 million letter of payment guarantee through the bank.

The Group also signed an irrevocable undertaking agreement with Wacker Chemie AG (Wacker Chemie). It was approved by German Federal Financial Supervisory Authority (BaFin) on December 21, 2020, to publish the offer document outlining terms of the voluntary public takeover offer for the acquisitions of all no par value registered shares in Siltronic AG.

On January 22, 2021, the final offer price was adjusted to EUR145 per share. As of January 31, 2022, the approval by the German government could not be obtained. Under the aforementioned business combination agreement between GlobalWafers and Siltronic AG, a termination fee of EUR 50 million was payable to Siltronic AG, which was provisionally recorded as of December 31, 2021, and paid completely in the first quarter of 2022.

- J. The Group entered into an offshore wind power contract with a customer under the sustainable Green Energy Performance plan in 2022 and received a guarantee deposit of \$141,200 thousand, \$111,800 and \$10,000. As of June 30, 2023, December 31 and June 30, 2022, the above-mentioned guarantee deposit were recorded as other liabilities — non-current.
- K. On May 2, 2023, GlobalWafers' Board of Directors made a resolution. GlobalWafers and Crystalwise have decided to engage in complementary resource sharing and collaborative cooperation, expanding their product lines to enhance operational advantages. It is proposed to issue new shares to Crystalwise's shareholders as consideration and conduct share conversion with Crystalwise, allowing GlobalWafers to acquire 100% equity of Crystalwise.

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10. Losses due to major disasters: None.

11. Subsequent Events:

- (1) GlobalWafers signed an equipment procurement contract with a specific vendor in July 2023 in order to expand its production capacity and meet market demand. The total contract price was \$9,548,160 thousand.
- (2) On August 4, 2023 the Group passed a resolution in the board of directors to plan an increase in the shareholding of Actron Technology Corp. The plan is to subscribe with an amount not exceeding 600 million.

12. Other:

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

| By item | By function | | For the three months ended June 30, | | | |
|-----------------------------------|--------------------|--------------------|-------------------------------------|--------------------|--------------------|-----------|
| | | | 2023 | | 2022 | |
| | Cost of goods sold | Operating expenses | Total | Cost of goods sold | Operating expenses | Total |
| Employee benefits | | | | | | |
| Salary | 2,377,114 | 890,515 | 3,267,629 | 2,120,004 | 628,628 | 2,748,632 |
| Labor and health insurance | 300,013 | 68,879 | 368,892 | 254,995 | 58,023 | 313,018 |
| Pension | 152,096 | 30,584 | 182,680 | 150,295 | 28,238 | 178,533 |
| Others employee benefits expenses | 71,242 | 22,205 | 93,447 | 58,320 | 19,196 | 77,516 |
| Depreciation | 1,904,733 | 90,696 | 1,995,429 | 1,574,182 | 57,575 | 1,631,757 |
| Amortization | 86,673 | 5,621 | 92,294 | 59,400 | 1,429 | 60,829 |

| By item | By function | | For the six months ended June 30, | | | |
|-----------------------------------|--------------------|--------------------|-----------------------------------|--------------------|--------------------|-----------|
| | | | 2023 | | 2022 | |
| | Cost of goods sold | Operating expenses | Total | Cost of goods sold | Operating expenses | Total |
| Employee benefits | | | | | | |
| Salary | 4,803,384 | 1,751,824 | 6,555,208 | 4,217,821 | 1,224,195 | 5,442,016 |
| Labor and health insurance | 584,188 | 138,498 | 722,686 | 503,743 | 118,225 | 621,968 |
| Pension | 302,311 | 58,489 | 360,800 | 302,388 | 55,505 | 357,893 |
| Others employee benefits expenses | 146,835 | 45,159 | 191,994 | 123,522 | 38,154 | 161,676 |
| Depreciation | 3,782,353 | 171,611 | 3,953,964 | 3,100,122 | 116,893 | 3,217,015 |
| Amortization | 172,505 | 11,196 | 183,701 | 118,802 | 2,629 | 121,431 |

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13. Other disclosures:

(1) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- A. Loans to other parties: Please refer to Table 1.
- B. Guarantees and endorsements for other parties: Please refer to Table 2.
- C. Securities held as of June 30, 2023 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.
- D. Individual securities acquired or disposed of with accumulated amounts exceeding the lower of NT\$300 million or 20% of the capital stock: Please refer to Table 4.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: Please refer to Table 5.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- G. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 6.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 7.
- I. Trading in derivative instruments: Please refer to note 6(2).
- J. Business relationships and significant intercompany transactions: Please refer to Table 8.

(2) Information on investees: Please refer to Table 9.

(3) Information on investment in mainland China:

- A. The names of investees in Mainland China, the main businesses and products and other information: Please refer to Table 10(1).
- B. Limitation on investment in Mainland China: Please refer to Table 10(2).
- C. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in the “Information on significant transactions”.

(4) Major shareholders: None of the shareholders hold more than 5% of outstanding shares.

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14. Segment information:

(1) Operating segments

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

| | For the three months ended June 30, 2023 | | | |
|-------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------|---------------------------------------|---------------------|
| | Semiconductor segment | Solar energy segment and others | Reconciliation and elimination | Total |
| Revenues: | | | | |
| Revenue from external customers | \$ 18,255,400 | 2,062,905 | - | 20,318,305 |
| Intersegment revenues | 143,826 | 424,125 | (567,951) | - |
| Total revenue | <u>\$ 18,399,226</u> | <u>2,487,030</u> | <u>(567,951)</u> | <u>20,318,305</u> |
| Reportable segment profit or loss | <u>\$ 4,711,805</u> | <u>(62,270)</u> | <u>-</u> | 4,649,535 |
| Share of profit (loss) of associates and joint ventures accounted for using equity method | | | | 78,341 |
| | | | | <u>\$ 4,727,876</u> |

| | For the three months ended June 30, 2022 | | | |
|-------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------|---------------------------------------|---------------------|
| | Semiconductor segment | Solar energy segment and others | Reconciliation and elimination | Total |
| Revenues: | | | | |
| Revenue from external customers | \$ 17,512,603 | 2,757,971 | - | 20,270,574 |
| Intersegment revenues | 11,098 | 337,568 | (348,666) | - |
| Total revenue | <u>\$ 17,523,701</u> | <u>3,095,539</u> | <u>(348,666)</u> | <u>20,270,574</u> |
| Reportable segment profit or loss | <u>\$ 2,713,447</u> | <u>479,762</u> | <u>-</u> | 3,193,209 |
| Share of profit (loss) of associates and joint ventures accounted for using equity method | | | | 8,802 |
| | | | | <u>\$ 3,202,011</u> |

| | For the six months ended June 30, 2023 | | | |
|-------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------|---------------------------------------|---------------------|
| | Semiconductor segment | Solar energy segment and others | Reconciliation and elimination | Total |
| Revenues: | | | | |
| Revenue from external customers | \$ 37,184,840 | 4,037,014 | - | 41,221,854 |
| Intersegment revenues | 155,722 | 772,643 | (928,365) | - |
| Total revenue | <u>\$ 37,340,562</u> | <u>4,809,657</u> | <u>(928,365)</u> | <u>41,221,854</u> |
| Reportable segment profit or loss | <u>\$ 9,414,725</u> | <u>(102,391)</u> | <u>-</u> | 9,312,334 |
| Share of profit (loss) of associates and joint ventures accounted for using equity method | | | | 130,023 |
| | | | | <u>\$ 9,442,357</u> |

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| For the six months ended June 30, 2022 | | | | |
|-------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------------|-----------------------------------------------|-----------------------|
| | Semiconductor segment | Solar energy segment and others | Reconciliation and elimination | Total |
| Revenues: | | | | |
| Revenue from external customers | \$ 33,804,540 | 5,235,453 | - | 39,039,993 |
| Intersegment revenues | 16,109 | 607,600 | (623,709) | - |
| Total revenue | <u>\$ 33,820,649</u> | <u>5,843,053</u> | <u>(623,709)</u> | <u>39,039,993</u> |
| Reportable segment profit or loss | <u>\$ 4,433,311</u> | <u>855,592</u> | <u>-</u> | 5,288,903 |
| Share of profit (loss) of associates and joint ventures accounted for using equity method | | | | 61,855 |
| | | | | <u>\$ 5,350,758</u> |
| | Semiconductor segment | Solar energy segment and others | Reconciliation and elimination | Total |
| Reportable segment assets: | | | | |
| June 30, 2023 | <u>\$ 182,385,631</u> | <u>14,795,984</u> | <u>(352,325)</u> | 196,829,290 |
| Equity method investments | | | | 2,924,675 |
| | | | | <u>\$ 199,753,965</u> |
| December 31, 2022 | <u>\$ 179,138,357</u> | <u>15,431,955</u> | <u>(468,671)</u> | 194,101,641 |
| Equity method investments | | | | 2,507,749 |
| | | | | <u>\$ 196,609,390</u> |
| June 30, 2022 | <u>\$ 165,786,987</u> | <u>16,164,927</u> | <u>(1,832,768)</u> | 180,119,146 |
| Equity method investments | | | | 2,591,747 |
| | | | | <u>\$ 182,710,893</u> |
| Reportable segment liabilities: | | | | |
| June 30, 2023 | <u>\$ 114,614,813</u> | <u>14,059,888</u> | <u>(352,325)</u> | <u>128,322,376</u> |
| December 31, 2022 | <u>\$ 115,551,790</u> | <u>13,394,727</u> | <u>(468,671)</u> | <u>128,477,846</u> |
| June 30, 2022 | <u>\$ 111,455,538</u> | <u>14,073,200</u> | <u>(1,832,768)</u> | <u>123,695,970</u> |

Sino-American Silicon Products Inc. and Subsidiaries

Loans to other parties

For the period ended June 30, 2023

Table 1

(In Thousands of New Taiwan Dollars)

| Number | Name of lender | Name of borrower | Account name | Related party | Highest balance of financing to other parties during the period | Ending balance | Actual usage amount during the period | Range of interest rates during the period | Purposes of fund financing for the borrower (Note 1) | Transaction amount for business between two parties | Reasons for short-term financing | Loss allowance | Collateral | | Individual funding loan limits (Note 2, 3) | Maximum limit of fund financing (Note 2, 3) |
|--------|-------------------------------------|------------------|---------------------------------|---------------|-----------------------------------------------------------------|----------------|---------------------------------------|-------------------------------------------|------------------------------------------------------|-----------------------------------------------------|----------------------------------|----------------|------------|-------|--------------------------------------------|---------------------------------------------|
| | | | | | | | | | | | | | Item | Value | | |
| 0 | Sino-American Silicon Products Inc. | Sulu | Receivable from related parties | Yes | 1,712,700 | 1,712,700 | 65,394 | 5% | 2 | - | Operating capital | - | - | - | 13,267,836 | 13,267,836 |
| 0 | Sino-American Silicon Products Inc. | Sunrise PV Three | Receivable from related parties | Yes | 100,000 | 100,000 | 32,500 | 2.5% | 2 | - | Operating capital | - | - | - | 13,267,836 | 13,267,836 |
| 0 | Sino-American Silicon Products Inc. | SSH | Receivable from related parties | Yes | 1,000,000 | 1,000,000 | 644,444 | 1.5% | 2 | - | Operating capital | - | - | - | 13,267,836 | 13,267,836 |
| 0 | Sino-American Silicon Products Inc. | Aleo Solar GmbH | Receivable from related parties | Yes | 169,200 | 169,050 | 67,620 | 3% | 2 | - | Operating capital | - | - | - | 13,267,836 | 13,267,836 |
| 1 | SSTI | Sulu | Receivable from related parties | Yes | 429,109 | 429,109 | 429,109 | 0% | 2 | - | Operating capital | - | - | - | 2,300,082 | 2,300,082 |
| 1 | SSTI | AMLED | Receivable from related parties | Yes | 355,432 | 355,432 | 355,432 | 0% | 2 | - | Operating capital | - | - | - | 2,300,082 | 2,300,082 |
| 2 | SAS Sunrise Inc. | Sulu | Receivable from related parties | Yes | 331,641 | 331,641 | 331,641 | 0% | 2 | - | Operating capital | - | - | - | 542,376 | 542,376 |
| 3 | GlobalWafers | Sunrise PV Five | Receivable from related parties | Yes | 100,000 | 100,000 | 20,000 | 1.5% | 2 | - | Operating capital | - | - | - | 23,615,418 | 23,615,418 |
| 3 | GlobalWafers | Sunrise PV Four | Receivable from related parties | Yes | 400,000 | 400,000 | 180,000 | 1.5% | 2 | - | Operating capital | - | - | - | 23,615,418 | 23,615,418 |
| 4 | GWJ | MEMC Japan | Receivable from related parties | Yes | 12,560,960 | 11,696,000 | 6,837,000 | 0.54455% | 2 | - | Operating capital | - | - | - | 17,160,323 | 17,160,323 |
| 5 | MEMC SpA | GWBV | Receivable from related parties | Yes | 1,791,350 | - | - | - | 2 | - | Operating capital | - | - | - | 11,016,550 | 11,016,550 |
| 5 | MEMC SpA | GWS | Receivable from related parties | Yes | 2,639,520 | 2,637,180 | 2,060,711 | 7.475% | 2 | - | Operating capital | - | - | - | 11,016,550 | 11,016,550 |
| 6 | GWS | GWBV | Receivable from related parties | Yes | 1,053,964 | 1,053,964 | 1,053,964 | 1.2% | 2 | - | Operating capital | - | - | - | 31,839,312 | 31,839,312 |

| Number | Name of lender | Name of borrower | Account name | Related party | Highest balance of financing to other parties during the period | Ending balance | Actual usage amount during the period | Range of interest rates during the period | Purposes of fund financing for the borrower (Note 1) | Transaction amount for business between two parties | Reasons for short-term financing | Loss allowance | Collateral | | Individual funding loan limits (Note 2, 3) | Maximum limit of fund financing (Note 2, 3) |
|--------|----------------|------------------|---------------------------------|---------------|-----------------------------------------------------------------|----------------|---------------------------------------|-------------------------------------------|------------------------------------------------------|-----------------------------------------------------|----------------------------------|----------------|------------|-------|--------------------------------------------|---------------------------------------------|
| | | | | | | | | | | | | | Item | Value | | |
| 6 | GWS | GW GmbH | Receivable from related parties | Yes | 4,230,000 | 4,226,250 | 4,226,250 | 2.7% | 2 | - | Operating capital | - | - | - | 31,839,312 | 31,839,312 |
| 6 | GWS | GlobalWafers | Receivable from related parties | Yes | 9,342,000 | 9,342,000 | 4,671,000 | 5.81%~5.83% | 2 | - | Operating capital | - | - | - | 31,839,312 | 31,839,312 |
| 7 | GTI | MEMC LLC | Receivable from related parties | Yes | 5,605,200 | 5,605,200 | 211,752 | 5.51% | 2 | - | Operating capital | - | - | - | 12,608,293 | 12,608,293 |
| 7 | GTI | GlobalWafers | Receivable from related parties | Yes | 1,501,750 | - | - | - | 2 | - | Operating capital | - | - | - | 12,608,293 | 12,608,293 |
| 8 | GWBV | GW GmbH | Receivable from related parties | Yes | 3,745,550 | 2,028,600 | 1,690,500 | 2.70% | 2 | - | Operating capital | - | - | - | 49,294,955 | 49,294,955 |
| 9 | SSKT | MHTM | Receivable from related parties | Yes | 8,028 | 7,755 | 7,755 | 3.65% | 1 | 55,729 | Business between two parties | - | - | - | 55,729 | 164,556 |
| 9 | SSKT | MHTM | Receivable from related parties | Yes | 38,538 | 38,538 | - | 4.35% | 2 | - | Operating capital | - | - | - | 164,556 | 164,556 |
| 10 | SST | SSKT | Receivable from related parties | Yes | 101,426 | 100,627 | 29,974 | 4.35% | 2 | - | Operating capital | - | - | - | 2,840,820 | 2,840,820 |

Note 1: The nature of financing purposes:

- (1) Represents entities with business transaction with the company.
- (2) Represents where an inter-company or inter firm short-term financing facility is necessary.

Note 2: (1) For the company's loan of funds to those having business transactions, the individual loan is limited to the trade amount between the two parties in the most recent year; for the loan of funds to companies necessary for short-term financing, the individual loan is limited to 40% of the net worth of the company that lends loan; for loan of funds among foreign companies that the company directly and indirectly holds 100% of the voting shares, the individual loan is limited to 40% of the net worth of the company that lends loan.

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

- Note 3: (1) For the Company's loan of funds to those having business transactions, the total loan is limited to 40% of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 40% of the net worth of the company that lends loan; the fund lendings between the foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company, or from the foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company to the Company are not subject to the previous provision of net worth and not subject to the one year limit of the term of funds in Article 4, Paragraph 1, but should still specify in its internal operating procedures for fund-lending limit and period.
- (2) For GlobalWafers and its subsidiaries lend funds to companies with business contacts, the total amount of the loan shall not exceed 40% of the net worth of the company that lent the funds; for fund loans to companies that need short-term financing, the total amount of the loan shall not exceed 40% of the company's net worth; for GlobalWafers directly and indirectly holds 100% of the voting shares in domestic companies engaged in inter-company capital lending, or GlobalWafers directly and indirectly holds 100% of the voting rights in domestic companies, the company's capital lending to GlobalWafers shall not exceed 40% of the company's net worth; for foreign companies that directly and indirectly hold 100% of the voting rights to engage in capital loans to GlobalWafers are not subject to the restrictions on net worth in the preceding paragraph and are not subject to the one-year limitation of the capital loan period in Paragraph 1 of Article 4, but they should still be The internal operating procedures set the limits and deadlines for capital loans.
- (3) For loan of funds of SSTI and SAS Sunrise Inc. to those having business transactions, the total loan is limited to 2 times of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 2 times of the net worth of the company that lends loan; for loan of funds among foreign companies that the company that lends loan directly and indirectly holds 100% of the voting shares, the total loan is limited to 40% of the net worth of the company that lends loan.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Sino-American Silicon Products Inc. and Subsidiaries

Guarantees and endorsements for other parties

For the period ended June 30, 2023

Table 2

(In Thousands of New Taiwan Dollars)

| No. | Name of guarantor | Counter-party of guarantee and endorsement | | Limitation on amount of guarantees and endorsements for a specific enterprise | Highest balance for guarantees and endorsements during the period (Note 3, 7) | Balance of guarantees and endorsements as of reporting date | Actual usage amount during the period | Property pledged for guarantees and endorsements (Amount) | Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements | Maximum amount for guarantees and endorsements | Parent company endorsements/ guarantees to third parties on behalf of subsidiary (Note 3, 7) | Subsidiary endorsements/ guarantees to third parties on behalf of parent company | Endorsements/ guarantees to third parties on behalf of companies in Mainland China |
|-----|-------------------------------------|--------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| | | Name | Relationship with the Company (Note 2) | | | | | | | | | | |
| 0 | Sino American Silicon Products Inc. | Sulu | 2 | 1,545,758 (Note 6) | 1,432,440 (Note 5) | 1,432,440 (Note 5) | 854,949 (Note 5) | - | 4.32 % | 1,545,758 (Note 6) | Y (Note 4) | N | N |
| 0 | Sino American Silicon Products Inc. | Sunrise PV Four | 2 | 33,169,591 | 170 | 170 | 170 | - | - | 33,169,591 | Y | N | N |
| 0 | Sino American Silicon Products Inc. | Sunrise PV Three | 2 | 33,169,591 | 421 | 421 | 421 | - | - | 33,169,591 | Y | N | N |
| 0 | Sino American Silicon Products Inc. | SSH | 2 | 33,169,591 | 2,300,000 | 2,300,000 | - | - | 6.93 % | 33,169,591 | Y | N | N |
| 0 | Sino American Silicon Products Inc. | SES | 2 | 33,169,591 | 123,079 | 123,079 | 121,080 | - | 0.37 % | 33,169,591 | Y | N | N |
| 1 | GlobalWafers | GW GmbH | 2 | 177,115,632 | 8,460,000 | 8,452,500 | 7,877,730 | - | 14.32 % | 177,115,632 | N | N | N |
| 1 | GlobalWafers | GWH | 2 | 177,115,632 | 1,300,000 | 1,100,000 | - | - | 1.86 % | 177,115,632 | N | N | N |
| 1 | GlobalWafers | Sunrise PV Four | 2 | 177,115,632 | 100,000 | 100,000 | 33,600 | - | 0.17 % | 177,115,632 | N | N | N |
| 1 | GlobalWafers | Sunrise PV Five | 2 | 177,115,632 | 79,800 | 79,800 | 79,800 | - | 0.14 % | 177,115,632 | N | N | N |
| 1 | GlobalWafers | GWS | 2 | 177,115,632 | 5,310,294 | 5,310,294 | 5,216,874 | - | 8.99 % | 177,115,632 | N | N | N |
| 1 | GlobalWafers | MEMC SpA | 2 | 177,115,632 | 2,977,920 | 2,975,280 | 2,975,280 | - | 5.04 % | 177,115,632 | N | N | N |

| No. | Name of guarantor | Counter-party of guarantee and endorsement | | Limitation on amount of guarantees and endorsements for a specific enterprise | Highest balance for guarantees and endorsements during the period (Note 3, 7) | Balance of guarantees and endorsements as of reporting date | Actual usage amount during the period | Property pledged for guarantees and endorsements (Amount) | Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements | Maximum amount for guarantees and endorsements | Parent company endorsements/ guarantees to third parties on behalf of subsidiary (Note 3, 7) | Subsidiary endorsements/ guarantees to third parties on behalf of parent company | Endorsements/ guarantees to third parties on behalf of companies in Mainland China |
|-----|-------------------|--------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| | | Name | Relationship with the Company (Note 2) | | | | | | | | | | |
| 2 | GTI | MEMC LLC | 2 | 63,041,465 | 3,114,000 | 3,114,000 | - | - | 24.70 % | 63,041,465 | N | N | N |
| 3 | SST | KST | 2 | 14,204,100 | 1,415,380 | 1,363,478 | 1,363,478 | - | 48.00 % | 14,204,100 | N | N | Y |

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

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

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

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

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

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

Note 5: Sulu shares with the company a quota of USD10,000 thousand and Sulu's individual quota is USD36,000 thousand. The Company resolved on October 14, 2016 by the Board of Directors to repay part of the loan, and reduce the endorsements/guarantees quota to USD46,000 thousand. The actual disbursement amount was reduced to USD27,455 thousand.

Note 6: The endorsements/guarantees quota for Sulu is calculated as the amount of sales at the time of endorsements/guarantees.

Sino-American Silicon Products Inc. and Subsidiaries
Securities held as of June 30, 2023 (excluding investment in subsidiaries, associates and joint ventures)
June 30, 2023

Table 3

(In Thousands of New Taiwan Dollars)

| Name of holder | Category and name of security | Relationship with the Company | Account title | Ending balance | | | | Note |
|-------------------------------------|-------------------------------------------|-------------------------------|-------------------------------------------------------------------|-------------------------|----------------|-----------------------------|------------|------|
| | | | | Shares/Units (thousand) | Carrying value | Percentage of ownership (%) | Fair value | |
| Sino American Silicon Products Inc. | Stock of Powertec Energy Corporation | None | Financial assets at fair value through other comprehensive income | 30,410 | - | 2.14 % | - | |
| Sino American Silicon Products Inc. | Stock of Giga Epitaxy Technology Corp | None | Financial assets at fair value through other comprehensive income | 531 | - | 1.61 % | - | |
| Sino American Silicon Products Inc. | Stock of Big Sun | None | Financial assets at fair value through other comprehensive income | 15,000 | - | 3.54 % | - | |
| Sino American Silicon Products Inc. | Stock of Billion Watts Co., Ltd. | None | Financial assets at fair value through other comprehensive income | 2 | 80 | 0.02 % | 80 | |
| Sino American Silicon Products Inc. | Stock of Billion Electric Co., Ltd. | None | Financial assets at fair value through other comprehensive income | 15,000 | 822,000 | 13.05 % | 822,000 | |
| SSTI | Stock of SILFAB SPA | None | Financial assets at fair value through other comprehensive income | 300 | 361,395 | 15.00 % | 361,395 | |
| SSTI | Stock of Clean Venture 21 Corporation | None | Financial assets at fair value through profit or loss—non-current | 10 | - | 7.20 % | - | |
| SSH | WT Microelectronics Co., Ltd. Corporation | None | Financial assets at fair value through other comprehensive income | 540 | 36,720 | 0.05 % | 36,720 | |
| SSH | NextDrive Holdings. Co., Ltd. | None | Financial assets at fair value through other comprehensive income | 1,021 | 85,077 | 5.54 % | 85,077 | |
| SSH | Transphorm Inc. | None | Financial assets at fair value through other comprehensive income | 4,750 | 502,911 | 8.00 % | 502,911 | |
| SSH | SKY TECH Inc. | None | Financial assets at fair value through other comprehensive income | 300 | 54,651 | 0.49 % | 54,651 | |
| SSH | TAISC Materials Corp. | None | Financial assets at fair value through other comprehensive income | 200 | 20,000 | 0.40 % | 20,000 | |
| SSH | Ancora Semiconductors Inc. | None | Financial assets at fair value through other comprehensive income | 3,400 | 102,000 | 6.16 % | 102,000 | |

| Name of holder | Category and name of security | Relationship with the Company | Account title | Ending balance | | | | Note |
|----------------|-------------------------------------------|-------------------------------|---------------------------------------------------------------------|-------------------------|----------------|-----------------------------|------------|------|
| | | | | Shares/Units (thousand) | Carrying value | Percentage of ownership (%) | Fair value | |
| SSH | ANJET Corporation | None | Financial assets at fair value through profit or loss — non-current | 600 | 94,170 | 4.33 % | 94,170 | |
| GlobalWafers | CDIB Capital Growth Partners L.P. | None | Financial assets at fair value through profit or loss — non-current | - | 201,827 | 3.85 % | 201,827 | |
| GlobalWafers | Siltronic AG | None | Financial assets at fair value through profit or loss — non-current | 650 | 1,538,355 | 2.17 % | 1,538,355 | |
| GW GmbH | Siltronic AG | None | Financial assets at fair value through profit or loss — non-current | 3,101 | 7,338,322 | 10.34 % | 7,338,322 | |
| GWBV | Siltronic AG | None | Financial assets at fair value through profit or loss — non-current | 350 | 835,735 | 1.17 % | 835,735 | |
| GlobalWafers | WT Microelectronics Co., Ltd. | None | Financial assets at fair value through other comprehensive income | 2,518 | 171,224 | 0.25 % | 171,224 | |
| SST | Foreign securites | None | Financial assets at fair value through other comprehensive income | 16 | 5,062 | 0.04 % | 5,062 | |
| GWH | Foreign securities from private placement | None | Financial assets at fair value through profit or loss — non-current | - | 5,965 | 1.70 % | 5,965 | |

Sino-American Silicon Products Inc. and Subsidiaries

Individual securities acquired or disposed of with accumulated amounts exceeding the lower of than NT\$300 million or 20% of the capital stock
For the period ended June 30, 2023

Table 4

(In Thousands of New Taiwan Dollars)

| Name of company | Category and name of security | Account name | Name of counter-party | Relationship with the company | Beginning Balance | | Purchases | | Sales | | | | Ending Balance | |
|-------------------------------------|-------------------------------|-------------------------------------------------------------------|-----------------------|-------------------------------|-------------------|---------------|-----------|---------------|--------|-------|------|-------------------------|----------------|---------|
| | | | | | Shares | Amount (Note) | Shares | Amount (Note) | Shares | Price | Cost | Gain (loss) on disposal | Shares | Amount |
| Sino American Silicon Products Inc. | Billion Electric Co., Ltd. | Financial assets at fair value through other comprehensive income | - | None | - | - | 15,000 | 822,000 | - | - | - | - | 15,000 | 822,000 |

Note: Including gain or loss on evaluation.

Sino-American Silicon Products Inc. and Subsidiaries

Acquisition of individual real estate with amount exceeding the lower than NT\$300 million or 20% of the capital stock

For the period ended June 30, 2023

Table 5

(In Thousands of New Taiwan Dollars)

| Name of company | Name of property | Transaction date | Transaction amount | Status of payment | Counter-party | Relationship with the Company | If the counter-party is a related party, disclose the previous transfer information | | | | References for determining price | Purpose of acquisition and current condition | Others |
|-------------------|-------------------------------------------|------------------|--------------------|-------------------|-----------------------------------|-------------------------------|-------------------------------------------------------------------------------------|-------------------------------|------------------|--------|----------------------------------|----------------------------------------------|--------|
| | | | | | | | Owner | Relationship with the Company | Date of transfer | Amount | | | |
| Advanced Wireless | Expansion project of the new factory area | November 5, 2018 | 415,000 | Paid 100% | Yung Ching Construction Co., Ltd. | Non-parties Company | - | - | - | - | Bargain | For operating purpose: in progress | None |

Sino-American Silicon Products Inc. and Subsidiaries

Related-party transactions for purchases and sales with amounts exceeding the lower than NT\$300 million or 20% of the capital stock

For the period ended June 30, 2023

Table 6

(In Thousands of New Taiwan Dollars)

| Name of company | Related party | Nature of relationship | Transaction details | | | | Transactions with terms different from others | | Notes/Accounts receivable (payable) | | Note |
|-------------------------------------|-------------------------------------|------------------------------|---------------------|-----------|-------------------------------------|----------------------------------------------------------------------|-----------------------------------------------|---------------|-------------------------------------|---------------------------------------------------------|--------------|
| | | | Purchase/Sale | Amount | Percentage of total purchases/sales | Payment terms | Unit price | Payment terms | Ending balance | Percentage of total notes/accounts receivable (payable) | |
| Aleo Solar | Aleo Solar Italia | Indirectly held subsidiaries | Sale | (151,915) | (15) % | Net 60 days from the end of the month upon issuance of invoice | - | - | 24,248 | 15% | Note 1 |
| Sino American Silicon Products Inc. | Sunrise PV Four | Indirectly held subsidiaries | Sale | (401,629) | (11) % | Net 30 days from the end of the month upon issuance of invoice | - | - | 11,588 | 2% | Note 1 |
| GlobalWafers | Sino American Silicon Products Inc. | Indirectly held subsidiaries | Purchase | 741,148 | 11 % | Net 30 days from the end of the next month upon issuance of invoice | - | - | (368,811) | (8)% | Note 1 and 2 |
| GlobalWafers | GTI | Indirectly held subsidiaries | Purchase | 884,657 | 2 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (326,124) | (3)% | Note 1 |
| GlobalWafers | SST | Indirectly held subsidiaries | Purchase | 783,356 | 2 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (254,811) | (2)% | Note 1 |
| GlobalWafers | GWJ | Indirectly held subsidiaries | Purchase | 4,172,572 | 11 % | Net 60 to 90 days from the end of the month upon issuance of invoice | - | - | (2,237,373) | (21)% | Note 1 |
| GlobalWafers | GWS | Indirectly held subsidiaries | Purchase | 317,951 | 1 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (141,075) | (1)% | Note 1 |
| GlobalWafers | Topsil A/S | Indirectly held subsidiaries | Purchase | 785,559 | 2 % | Net 30 to 60 days from the end of the month upon issuance of invoice | - | - | (147,913) | (1)% | Note 1 |
| Sino American Silicon Products Inc. | GlobalWafers | Directly held subsidiaries | Purchase | 155,384 | - % | Net 30 days from the end of the next month upon issuance of invoice | - | - | (96,277) | (1)% | Note 1 |
| GWS | GlobalWafers | Indirectly held subsidiaries | Purchase | 4,018,402 | 11 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (1,520,002) | (14)% | Note 1 |
| MEMC Korea | GlobalWafers | Indirectly held subsidiaries | Purchase | 793,973 | 2 % | Net 30 to 60 days from the end of the month upon issuance of invoice | - | - | (177,723) | (2)% | Note 1 |
| MEMC SpA | GlobalWafers | Indirectly held subsidiaries | Purchase | 496,454 | 1 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (201,487) | (2)% | Note 1 |

| Name of company | Related party | Nature of relationship | Transaction details | | | | Transactions with terms different from others | | Notes/Accounts receivable (payable) | | Note |
|-----------------|---------------|------------------------------|---------------------|-------------|-------------------------------------|----------------------------------------------------------------------|-----------------------------------------------|---------------|-------------------------------------|---------------------------------------------------------|--------|
| | | | Purchase/Sale | Amount | Percentage of total purchases/sales | Payment terms | Unit price | Payment terms | Ending balance | Percentage of total notes/accounts receivable (payable) | |
| GTI | GlobalWafers | Indirectly held subsidiaries | Purchase | 1,565,496 | 4 % | Net 45 days from the end of the month upon issuance of invoice | - | - | (318,922) | (3)% | Note 1 |
| SST | GlobalWafers | Indirectly held subsidiaries | Purchase | 473,323 | 1 % | Net 30 days from the end of the month upon issuance of invoice | - | - | (76,039) | (1)% | Note 1 |
| GWJ | GlobalWafers | Indirectly held subsidiaries | Purchase | 1,257,462 | 3 % | Net 60 to 90 days from the end of the month upon issuance of invoice | - | - | (611,927) | (6)% | Note 1 |
| Topsil A/S | GlobalWafers | Indirectly held subsidiaries | Purchase | 342,922 | 1 % | Net 30 to 60 days from the end of the month upon issuance of invoice | - | - | (244,611) | (2)% | Note 1 |
| Actron | GlobalWafers | Indirectly held subsidiaries | Purchase | 146,847 | - | Net 60 days from the end of the next month upon issuance of invoice | - | - | (59,055) | (1)% | Note 1 |
| GWS | MEMC LLC | Indirectly held subsidiaries | Purchase | 1,329,153 | 4 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (438,570) | (4)% | Note 1 |
| GWS | MEMC LLC | Indirectly held subsidiaries | Sale | (428,403) | (1) % | Net 60 days from the end of the month upon issuance of invoice | - | - | 208,836 | 2% | Note 1 |
| GWS | MEMC Sdn Bhd | Indirectly held subsidiaries | Purchase | 848,487 | 2 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (304,406) | (3)% | Note 1 |
| GWS | MEMC Sdn Bhd | Indirectly held subsidiaries | Sale | (273,392) | (1) % | Net 60 days from the end of the month upon issuance of invoice | - | - | 87,042 | 1% | Note 1 |
| GWS | MEMC SpA | Indirectly held subsidiaries | Purchase | 2,116,151 | 6 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (775,786) | (7)% | Note 1 |
| GWS | MEMC SpA | Indirectly held subsidiaries | Sale | (4,265,254) | (12) % | Net 60 days from the end of the month upon issuance of invoice | - | - | 1,612,076 | 15% | Note 1 |
| GWS | MEMC Korea | Indirectly held subsidiaries | Purchase | 1,153,194 | 3 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (412,465) | (4)% | Note 1 |
| GWS | MEMC Japan | Indirectly held subsidiaries | Purchase | 2,173,195 | 6 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (705,073) | (7)% | Note 1 |
| GWS | MEMC Japan | Indirectly held subsidiaries | Sale | (707,602) | (2) % | Net 60 days from the end of the month upon issuance of invoice | - | - | 194,866 | 2% | Note 1 |

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

Note 2: GlobalWafers prepaid to Sino American Silicon Products Inc. according to the contract, amounting to \$197,932 thousand.

Sino-American Silicon Products Inc. and Subsidiaries

Receivables from related parties with amounts exceeding the lower than NT\$100 million or 20% of the capital stock

June 30, 2023

Table 7

(In Thousands of New Taiwan Dollars)

| Name of company | Counter-party | Nature of relationship | Ending balance | Turnover rate | Overdue | | Amounts received in subsequent period (Note 3) | Allowance for bad debts |
|-------------------------------------|---------------|------------------------------|----------------|---------------|---------|--------------|------------------------------------------------|-------------------------|
| | | | | | Amount | Action taken | | |
| Sino American Silicon Products Inc. | SSH | Directly held subsidiaries | 646,548 | Note 1 | - | - | - | - |
| SSTI | AMLED | Indirectly held subsidiaries | 355,432 | Note 1 | - | - | - | - |
| SSTI | Sulu | Indirectly held subsidiaries | 429,109 | Note 1 | - | - | - | - |
| SAS Sunrise Inc | Sulu | Indirectly held subsidiaries | 331,641 | Note 1 | - | - | - | - |
| GlobalWafers | GTI | Indirectly held subsidiaries | 318,922 | 9.66 | - | - | 167,203 | - |
| GlobalWafers | GWJ | Indirectly held subsidiaries | 611,927 | 3.23 | - | - | 5,166 | - |
| GlobalWafers | GWS | Indirectly held subsidiaries | 1,520,002 | 5.51 | - | - | 78,024 | - |
| GlobalWafers | MEMC Korea | Indirectly held subsidiaries | 177,723 | 6.28 | - | - | - | - |
| GlobalWafers | MEMC SpA | Indirectly held subsidiaries | 201,487 | 5.27 | - | - | 4,909 | - |
| GlobalWafers | Topsil A/S | Indirectly held subsidiaries | 244,611 | 3.76 | - | - | 2,185 | - |
| Sino American Silicon Products Inc. | GlobalWafers | Directly held subsidiaries | 368,811 | 7.62 | - | - | 241,593 | - |
| GTI | GlobalWafers | Indirectly held subsidiaries | 326,124 | 5.26 | - | - | 169,128 | - |
| SST | GlobalWafers | Indirectly held subsidiaries | 254,811 | 5.98 | - | - | 35,119 | - |
| GWJ | GlobalWafers | Indirectly held subsidiaries | 2,237,373 | 3.79 | - | - | - | - |
| Topsil A/S | GlobalWafers | Indirectly held subsidiaries | 147,913 | 12.42 | - | - | 52,318 | - |
| GWS | GlobalWafers | Indirectly held subsidiaries | 141,075 | 4.75 | - | - | 53,152 | - |
| GWS | MEMC Japan | Indirectly held subsidiaries | 194,866 | 5.61 | - | - | 110,635 | - |
| GWS | MEMC SpA | Indirectly held subsidiaries | 1,612,076 | 6.20 | - | - | 835,939 | - |
| GWS | MEMC LLC | Indirectly held subsidiaries | 208,836 | 5.00 | - | - | 139,208 | - |

| Name of company | Counter-party | Nature of relationship | Ending balance | Turnover rate | Overdue | | Amounts received in subsequent period (Note 3) | Allowance for bad debts |
|-----------------|-----------------|------------------------------|----------------|---------------|---------|--------------|------------------------------------------------|-------------------------|
| | | | | | Amount | Action taken | | |
| MEMC Sdn Bhd | GWS | Indirectly held subsidiaries | 304,406 | 5.93 | - | - | 153,574 | - |
| MEMC SpA | GWS | Indirectly held subsidiaries | 775,786 | 5.49 | - | - | 381,574 | - |
| MEMC Korea | GWS | Indirectly held subsidiaries | 412,465 | 6.91 | - | - | 228,133 | - |
| MEMC Japan | GWS | Indirectly held subsidiaries | 705,073 | 5.78 | - | - | 210,789 | - |
| MEMC LLC | GWS | Indirectly held subsidiaries | 438,570 | 6.37 | - | - | 215,677 | - |
| GlobalWafers | Sunrise PV Four | Indirectly held subsidiaries | 180,298 | Note 1 | - | - | - | - |
| GWJ | MEMC Japan | Indirectly held subsidiaries | 6,837,046 | Note 1 | - | - | - | - |
| MEMC SpA | GWS | Indirectly held subsidiaries | 2,124,375 | Note 1 | - | - | 321,195 | - |
| GWS | GWBV | Indirectly held subsidiaries | 1,062,142 | Note 1 | - | - | - | - |
| GWS | GW GmbH | Indirectly held subsidiaries | 4,310,843 | Note 1 | - | - | - | - |
| GWBV | GW GmbH | Indirectly held subsidiaries | 1,724,274 | Note 1 | - | - | - | - |
| GTI | STP | Indirectly held subsidiaries | 215,267 | Note 1 | - | - | - | - |

Note 1: Receivables from related party for financing purpose.

Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 3: The amount received in subsequent period as of July 20, 2023.

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

Table 8

(In Thousands of New Taiwan Dollars)

| No. (Note 1) | Name of company | Name of counter-party | Nature of relationship (Note 2) | Intercompany transactions | | | |
|-----------------|-----------------|-------------------------------------|---------------------------------------|---------------------------|-----------|----------------------------------------------------------------------|-----------------------------------------------------------------------------|
| | | | | Account name | Amount | Trading terms | Percentage of the consolidated net revenue or total assets (Note 3,4) |
| 0 | GlobalWafers | Sino-American Silicon Products Inc. | 2 | Purchase | 741,148 | Net 30 days from the end of the next month upon issuance of invoice | 1.80% |
| 0 | GlobalWafers | GTI | 1 | Purchase | 884,657 | Net 60 days from the end of the month upon issuance of invoice | 2.15% |
| 0 | GlobalWafers | SST | 1 | Purchase | 783,356 | Net 60 days from the end of the month upon issuance of invoice | 1.90% |
| 0 | GlobalWafers | GWJ | 1 | Purchase | 4,172,572 | Net 60 to 90 days from the end of the month upon issuance of invoice | 10.12% |
| 0 | GlobalWafers | GWJ | 1 | Account payable | 2,237,373 | Net 60 to 90 days from the end of the month upon issuance of invoice | 1.12% |
| 0 | GlobalWafers | Topsil A/S | 1 | Purchase | 785,559 | Net 30 to 60 days from the end of the month upon issuance of invoice | 1.91% |
| 0 | GlobalWafers | GTI | 1 | Sale | 1,565,496 | Net 45 days from the end of the month upon issuance invoice | 3.80% |
| 0 | GlobalWafers | SST | 1 | Sale | 473,323 | Net 30 days from the end of the month upon issuance of invoice | 1.15% |
| 0 | GlobalWafers | GWJ | 1 | Sale | 1,257,462 | Net 60 to 90 days from the end of the month upon issuance of invoice | 3.05% |
| 0 | GlobalWafers | MEMC Korea | 1 | Sale | 793,973 | Net 30 to 60 days from the end of the month upon issuance of invoice | 1.93% |
| 0 | GlobalWafers | GWS | 1 | Sale | 4,018,402 | Net 60 days from the end of the month upon issuance of invoice | 9.75% |
| 0 | GlobalWafers | MEMC SpA | 1 | Sale | 496,454 | Net 60 days from the end of the month upon issuance of invoice | 1.20% |
| 1 | GWS | MEMC LLC | 3 | Sale | 428,403 | Net 60 days from the end of the month upon issuance of invoice | 1.04% |
| 1 | GWS | MEMC LLC | 3 | Purchase | 1,329,153 | Net 60 days from the end of the month upon issuance of invoice | 3.22% |
| 1 | GWS | MEMC SpA | 3 | Purchase | 2,116,151 | Net 60 days from the end of the month upon issuance of invoice | 5.13% |
| 1 | GWS | MEMC SpA | 3 | Sale | 4,265,254 | Net 60 days from the end of the month upon issuance of invoice | 10.35% |
| 1 | GWS | MEMC Korea | 3 | Purchase | 1,153,194 | Net 60 days from the end of the month upon issuance of invoice | 2.80% |
| 1 | GWS | MEMC Japan | 3 | Sale | 707,602 | Net 60 days from the end of the month upon issuance of invoice | 1.72% |
| 1 | GWS | MEMC Japan | 3 | Purchase | 2,173,195 | Net 60 days from the end of the month upon issuance of invoice | 5.27% |
| 1 | GWS | MEMC Sdn Bhd | 3 | Purchase | 848,487 | Net 60 days from the end of the month upon issuance of invoice | 2.06% |
| 1 | GWS | GlobalWafers | 2 | Intercompany loan | 4,675,676 | - | 2.34% |

| No. (Note 1) | Name of company | Name of counter-party | Nature of relationship (Note 2) | Intercompany transactions | | | |
|-----------------|-----------------|-----------------------|---------------------------------------|---------------------------|-----------|---------------|-----------------------------------------------------------------------------|
| | | | | Account name | Amount | Trading terms | Percentage of the consolidated net revenue or total assets (Note 3,4) |
| 2 | GWJ | MEMC Japan | 3 | Intercompany loan | 6,837,046 | - | 3.42% |
| 3 | MEMC SpA | GWS | 3 | Intercompany loan | 2,124,375 | - | 1.06% |
| 4 | GWS | GW GmbH | 3 | Intercompany loan | 4,310,843 | - | 2.16% |

Note 1: The characters of business transactions between parent company and its subsidiaries are coded as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relationships with transactions are as follows:

- (1) Parent company to its subsidiaries.
- (2) Subsidiaries to the parent company.
- (3) Transactions between subsidiaries.

Note 3: The ratio of the transaction amount of the consolidated total sales revenue and consolidated total assets are calculated as follows:

- (1) For transaction amount accounted for as asset or liability, the ratio is calculated based on the closing balance amount of the consolidated total assets.
- (2) For transaction amount accounted for as profit or loss, the ratio is calculated based on the accumulated amount at the end of the financial period of the consolidated total sales revenue.

Note 4: The table represented the amount of significant transaction exceeding 1 percent of the consolidated operating revenue or total assets.

Sino-American Silicon Products Inc. and Subsidiaries
Information on investees (Excluding Information on Investees in Mainland China)
For the period ended June 30, 2023

Table 9

(In Thousands of New Taiwan Dollars)

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of June 30, 2023 | | | Net income (losses) of investee | Share of profits/losses of investee | Note |
|-------------------------------------|-----------------------------|------------------------|------------------------------------------------------------------------------|----------------------------|--------------------------|-----------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|---------------------|
| | | | | June 30, 2023 | December 31, 2022 | Shares (thousand) | Percentage of Ownership | Carrying value | | | |
| Sino American Silicon Products Inc. | SSTI | British Virgin Islands | Investment and triangular trade center with subsidiaries in China | 1,425,603 (USD45,255) | 1,425,603 (USD45,255) | 48,526 | 100.00 % | 1,150,041 | 950 | 950 | Subsidiary |
| Sino American Silicon Products Inc. | GlobalWafers | Taiwan | Semiconductor silicon wafer materials and components manufacturing and trade | 8,955,952 | 8,955,952 | 222,727 | 51.17 % | 32,325,106 | 9,789,589 | 5,009,333 | Subsidiary |
| Sino American Silicon Products Inc. | Aleo Solar | Prenzlau | Solar module manufacturing and sale and wholesale of electronic materials | 558,139 (EUR13,500) | 558,139 (EUR13,500) | Note 1 | 100.00 % | 429,036 | 33,770 | 33,770 | Subsidiary |
| Sino American Silicon Products Inc. | SAS Sunrise Inc. | Cayman | Investment activities | 794,373 (USD24,500) | 794,373 (USD24,500) | 24,500 | 100.00 % | 271,188 | 28,552 | 28,552 | Subsidiary |
| Sino American Silicon Products Inc. | Sunrise PV Three | Taiwan | Electricity activities | 15,000 | 15,000 | 1,500 | 100.00 % | 16,224 | 673 | 673 | Subsidiary |
| Sino American Silicon Products Inc. | SSH | Taiwan | Investment activities | 650,000 | 650,000 | 65,000 | 100.00 % | 350,635 | (7,624) | (7,624) | Subsidiary |
| Sino American Silicon Products Inc. | SES | Taiwan | Energy technology service business | 20,000 | 20,000 | 2,000 | 100.00 % | 18,350 | (1,511) | (1,511) | Subsidiary |
| Sino American Silicon Products Inc. | Crystalwise Technology Inc. | Taiwan | Optical wafer and substrate manufacturing and trade | 1,685,291 | 1,685,291 | 13,877 | 31.61 % | - | 193,795 | - | Associate Note 2 |
| Sino American Silicon Products Inc. | Accu Solar Corporation | Taiwan | Solar energy system provider | 112,193 | 112,193 | 7,452 | 24.70 % | 55,589 | (4,608) | 718 | Associate |

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of June 30, 2023 | | | Net income (losses) of investee | Share of profits/losses of investee | Note |
|-------------------------------------|--------------------------------------|-------------|---------------------------------------------------------------------------------------------------|------------------------------|------------------------------|-----------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|-------------------------|
| | | | | June 30, 2023 | December 31, 2022 | Shares (thousand) | Percentage of Ownership | Carrying value | | | |
| Sino American Silicon Products Inc. | TSCS | Taiwan | Semiconductor special gas and chemical material manufacturer | 962,957 | 962,957 | 41,590 | 30.09 % | 794,920 | 32,646 | 3,053 | Subsidiary Note 2 |
| Sino American Silicon Products Inc. | Actron Technology Corporation | Taiwan | Semiconductor electric wafer materials and components manufacturing and trade | 1,756,162 | 1,756,162 | 20,807 | 22.75 % | 1,733,345 | 451,721 | 105,656 | Associate Note 2 |
| Sino American Silicon Products Inc. | Advanced Wireless | Taiwan | Gallium arsenide wafer manufacturing and trade | 4,341,422 | 4,341,422 | 54,287 | 27.62 % | 3,634,693 | (193,649) | (95,886) | Subsidiary Note 2 |
| SAS Sunrise Inc. | Sulu | Philippines | Electricity activities | 113,920 (USD4,000) | 113,920 (USD4,000) | 420,000 | 40.00 % | 78,288 | 33,398 | - | Subsidiary Note 4 |
| SAS Sunrise Inc. | AMLED | Philippines | Investment activities | - | - | - | - | - | - | - | Subsidiary Note 3 and 4 |
| AMLED | Sulu | Philippines | Electricity activities | 297,229 (USD9,065) | 297,229 (USD9,065) | 472,500 | 45.00 % | 88,074 | 33,398 | - | Subsidiary Note 4 |
| Aleo Solar | Aleo SolarDistribuzione Italia S.r.l | Italy | Solar module sale and wholesale of electronic materials | 4,078 (EUR100) | 4,078 (EUR100) | Note 1 | 100.00 % | 36,888 | 4,222 | - | Subsidiary Note 4 |
| GlobalWafers | GSI | Cayman | Investment in various businesses and triangular trade centers with subsidiaries in Mainland China | 698,419 (USD24,555) | 698,419 (USD24,555) | 23,000 | 100.00 % | 2,871,611 | 137,510 | - | Subsidiary Note 4 |
| GlobalWafers | GWJ | Japan | Manufacturing and trading of silicon wafers | 5,448,015 | 5,448,015 | 128 | 100.00 % | 17,156,151 | 903,978 | - | Subsidiary Note 4 |
| GlobalWafers | GWafers Singapore | Singapore | Investment activities | 2,207,377 | 17,378,877 | 41,674 | 100.00 % | 30,304,486 | 1,813,606 | - | Subsidiary Note 4 and 6 |
| GlobalWafers | GW GmbH | Germany | Trading | 1,952,235 (EUR62,525) | 1,952,235 (EUR62,525) | 48,025 | 100.00 % | (6,539,139) | 210,343 | - | Associate Note 4 |
| GlobalWafers | GWBV | Netherlands | Investment activities | 40,367,464 (USD1,321,076) | 42,525,442 (USD1,321,076) | 0.1 | 100.00 % | 49,294,955 | 2,651,490 | - | Subsidiary Note 4 |
| GlobalWafers | HONG WANG Investment Co., Ltd. | Taiwan | Investment activities | 309,760 | 309,760 | 30,976 | 30.98 % | 1,135,741 | 76,346 | - | Associate Note 4 |

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of June 30, 2023 | | | Net income (losses) of investee | Share of profits/losses of investee | Note |
|-------------------|------------------|---------------|-----------------------------------------------------------------------|----------------------------|----------------------------|-----------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|-------------------------|
| | | | | June 30, 2023 | December 31, 2022 | Shares (thousand) | Percentage of Ownership | Carrying value | | | |
| GlobalWafers | Sunrise PV Four | Taiwan | Electricity activities | 1,045,000 | 1,045,000 | 104,500 | 100.00 % | 1,050,786 | 4,259 | - | Subsidiary Note 4 |
| GlobalWafers | Sunrise PV Five | Taiwan | Electricity activities | 278,000 | 278,000 | 27,800 | 100.00 % | 274,261 | (593) | - | Subsidiary Note 4 |
| GlobalWafers | GWH | Taiwan | Investment activities | 250,000 | 250,000 | 25,000 | 100.00 % | 242,868 | (4,360) | - | Subsidiary Note 4 |
| GWJ | MEMC Japan | Japan | Manufacturing and trading of silicon wafers | 373,413 (JPY100,000) | 373,413 (JPY100,000) | 750 | 100.00 % | 2,493,256 | 163,560 | - | Subsidiary Note 4 |
| Topsil A/S | Topsil PL | Poland | Manufacturing and trading of silicon wafers | - | - | - | - | - | - | - | Subsidiary Note 4 and 7 |
| GWafers Singapore | GWS | Singapore | Investment activitie | - | 14,671,320 (USD406,898) | - | - | - | - | - | Subsidiary Note 4 and 6 |
| GWBV | MEMC SpA | Italy | Manufacturing and trading of silicon wafers | 6,732,641 (USD204,788) | 6,732,641 (USD204,788) | 65,000 | 100.00 % | 11,016,550 | 262,852 | - | Subsidiary Note 4 |
| MEMC SpA | MEMC SarL | France | Trading | 1,316 (USD40) | 1,316 (USD40) | 0.5 | 100.00 % | 3,156 | 342 | - | Subsidiary Note 4 |
| GWBV | MEMC Korea | Korea | Manufacturing and trading of silicon wafers | 11,851,262 (USD384,605) | 11,851,262 (USD384,605) | 25,200 | 100.00 % | 22,769,486 | 1,664,124 | - | Subsidiary Note 4 |
| GWBV | GTI | United States | Manufacturing and trading of epitaxial wafers | 2,779,849 (USD91,262) | 2,779,849 (USD91,262) | 1 | 100.00 % | 13,890,075 | 513,286 | - | Subsidiary Note 4 |
| GWBV | MEMC Ipoh | Malaysia | Manufacturing and trading of silicon wafers | 93,907 (USD1,323) | 93,907 (USD1,323) | 612,300 | 100.00 % | 4,584 | 735 | - | Subsidiary Note 4 |
| GWBV | Topsil A/S | Denmark | Manufacturing and trading of silicon wafers | 1,843,604 (USD60,996) | 1,843,604 (USD60,996) | 1,000 | 100.00 % | 2,521,219 | 131,100 | - | Subsidiary Note 4 |
| GTI | MEMC LLC | United states | Research and development, manufacturing and trading of silicon wafers | 543,384 (USD17,839) | 543,384 (USD17,839) | - | 100.00 % | 4,860,795 | 200,306 | - | Subsidiary Note 4 |
| SST | MEMC Sdn Bhd | Malaysia | Research and development, manufacturing and trading of silicon wafers | 898,016 (USD27,315) | 898,016 (USD27,315) | 1,036 | 100.00 % | 1,224,163 | 33,202 | - | Subsidiary Note 4 |
| GTI | GWA | United states | Manufacturing and trading of silicon wafers | 31 (USD1) | 31 (USD1) | 1 | 100.00 % | 3,009,174 | 15,417 | - | Subsidiary Note 4 |

Note 1: A limited company.

Note 2: The investment gain or loss recognition includes the investment cost and the amortization of the net equity acquired.

Note 3: The Company does not hold the ownership interests of AMLED, but the Company can control the financial and operating strategies of AMLED and obtain all the benefits of its operations and net assets in accordance with the terms of the agreements with such standalone, so AMLED is considered as a subsidiary.

Note 4: The investor's profits and losses included the profits and losses of the investees; therefore, the investee's profits and losses need not be disclosed.

Note 5: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 6: On January 1, 2023, GWafer Singapore merged with its subsidiary GWS. GWS was dissolved while GWafer Singapore continued to exist and was renamed as Global Wafers Singapore (abbreviated as GWS).

Note 7: The liquidation of Topsil PL has been completed in June, 2023.

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

Table 10

(In Thousands of New Taiwan Dollars)

(1) The names of investees in Mainland China, the main businesses and products, and other information

| Name of investee | Main businesses and products | Total amount of paid-in capital | Method of investment | Accumulated outflow of investment from Taiwan as of January 1, 2023 | Investment flows | | Accumulated outflow of investment from Taiwan as of June 30, 2023 | Net income (losses) of the investee | Percentage of ownership | Investment income (losses) (Note 4) | Book value | Accumulated remittance of earnings in current period |
|------------------|-----------------------------------------------------------------------------|---------------------------------|----------------------|---------------------------------------------------------------------|------------------|--------|-------------------------------------------------------------------|-------------------------------------|-------------------------|-------------------------------------|------------|------------------------------------------------------|
| | | | | | Outflow | Inflow | | | | | | |
| SST | Processing and trading of ingots and wafers | 1,429,778 (Note 5) | Note 1 | 713,300 (USD21,729) | - | - | 713,300 (USD21,729) | 137,356 | 100% | 137,356 | 2,840,820 | - |
| KST | Sale and marketings | 26,587 | Note 6 | - | - | - | - | 23,132 | 100% | 23,132 | 58,301 | - |
| SSKT | Manufacturing and distributing lithium tantalate and lithium niobate wafers | 102,776 | Note 7 | - | - | - | - | (17,287) | 100% | (17,287) | 411,391 | - |
| MHTM | Manufacturing and distributing lithium tantalate and lithium niobate wafers | 159,588 | Note 8 | - | - | - | - | (4,465) | 90% | (4,019) | 53,364 | - |

(2) Limitation on investment in Mainland China

| Company Name | Accumulated Investment in Mainland China as of June 30, 2023 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment |
|--------------|--------------------------------------------------------------|--------------------------------------------------------------|---------------------------|
| GlobalWafers | 713,300 (USD21,729) | 1,703,173 (USD56,164) (Note 3) | 35,423,126 (Note 4) |

Note 1: Investments through GSI.

Note 2: The basis for investment income (loss) recognition is from the audited financial statements.

Note 3: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the Historical Foreign Exchange Rate.

Note 4: Pursuant to the Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area' dated on August 29, 2008, the total amount of investment shall not exceed 60% of GlobalWafers' net equity on March 31, 2023.

Note 5: Retained earnings transferred to capital was included.

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

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

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