

SAS Reports Q3 2023 Results

Hsinchu, Taiwan, November 10, 2023 – Sino-American Silicon Products Inc. (SAS) board approved its financial statements for the third quarter 2023 today with the consolidated revenue reached NT\$19.6 billion with -3.5% QoQ and -9.4% YoY; gross profit of NT\$6.56 billion with -5.9% QoQ and -23.2% YoY, and gross profit margin of 33.5% with -0.8% QoQ and -6.0% YoY; operating profit of NT\$4.65 billion with -8.7% QoQ and -30.2% YoY, and operating profit margin of 23.7% with -1.3% QoQ and -7.1% YoY; net income of NT\$5.45 billion with 15.4% QoQ and -2.3% YoY, and net profit margin of 27.8% with 4.5% QoQ and 2.0% YoY; net income attributed to the parent company of NT\$2.69 billion with 10.8% QoQ and -13.0% YoY, and EPS of NT\$4.60. SAS' semiconductor subsidiary, GlobalWafers (GWC), also concluded its third quarter with the consolidated revenue of NT\$17.38 billion; gross profit of NT\$6.36 billion and gross profit margin of 36.6%; operating profit of NT\$4.83 billion and operating profit margin of 27.8%; net profit of NT\$5.54 billion and net profit margin of 31.9%; EPS of NT\$12.73. **Both SAS and GlobalWafers experienced a decline in revenue due to uncertainty in end-market demand. Yet, along with the rise in the share price of Siltronic AG held by GlobalWafers and other operation performance, the two companies have attained impressive outcomes in terms of net profit margin and EPS in the third quarter, achieving record high net profit margins of 27.8% and 31.9% respectively. Additionally, GlobalWafers reported an EPS of NT\$12.73, the best ever over the same period, while SAS recorded an EPS of NT\$4.60, second highest over the same period.**

Regarding the first three quarters of 2023 consolidated financial results, SAS cumulative consolidated revenue totaled NTD\$60.82 billion with 0.3% YoY; gross profit of NT\$21.12 billion with -12.9% YoY; gross profit margin of 34.7% with -5.3% YoY; operating profit of NT\$15.53 billion with -21% YoY; operating profit margin of 25.5% with -6.9% YoY; net profit of NT\$14.90 billion with 36.2% YoY; net profit margin of 24.5% with 6.5% YoY; net income attributed to the parent company of NT\$7.6 billion with 22.9% YoY, and EPS of NT\$12.96, which was close to 90% of full-year EPS of 2022 (NT\$14.87). SAS' semiconductor subsidiary, GlobalWafers, the cumulative consolidated revenue in the first three quarters of 2023 achieved NTD\$53.89 billion; gross profit of NT\$20.66 billion and gross profit margin of 38.3%; operating profit of NT\$16.14 billion and operating profit margin of 29.9%; net profit of NT\$15.33 billion and net profit

margin of 28.4%; EPS of NT\$35.22, which was close to the full-year EPS of 2022 (NT\$35.31). **Despite facing some real headwinds, the overall performance of SAS group remains outstanding. Both SAS and GlobalWafers have demonstrated exceptional performances in the first three quarters of 2023, accomplishing a record high in revenue, net profit margin, and EPS.**

From the solar energy aspect, SAS puts continuous efforts into research and development, its high-efficiency N Topcon products are anticipated to enter mass production in early 2024. Various advantages which N Topcon possesses include low degradation rate, low temperature coefficient, and a high conversion efficiency of 25%; these features enhance the competitiveness of solar power generation systems. Equally noteworthy, large-sized M10 N Topcon is expected to become SAS' new flagship product of the next generation in 2024.

In addition to the clean energy industry, SAS has deployed in varied pivotal sectors within the semiconductor industry, establishing a complementary strategic alliance that spans the entire value chain. Apart from GlobalWafers, the semiconductor wafer supplier subsidiary, GaAs foundry AWSC (Advanced Wireless Semiconductor Company), another subsidiary of the group, has benefited from stronger market demand with its revenue contribution increasing month by month. Subsidiary TSC's (Taiwan Speciality Chemicals Corporation) revenue has risen, with over 13% YoY in 2023Q3; a special gas warehouse is under construction to strengthen its capabilities for customer supply and stocking. Actron (Actron Technology Corporation), the global leader in automotive diodes, officially became a subsidiary of SAS Group in October this year, with its revenue incorporated into the consolidated statements. Actron has demonstrated a consistent growth in both revenue and profit, poised to further enhance its development by tapping into the electric vehicle market. Furthermore, to stay aligned with market trends and elevate its core strengths, SAS has strategically positioned itself in the compound semiconductor market through investments in companies such as Anjet (specialized in SiC and GaN power semiconductor components), Ancora (focused on GaN power semiconductor components), and Transphorm, an American company proficient in GaN power conversion products.

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