

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

Sino-American Silicon Products Inc.

2024 Annual General Shareholders' Meeting Minutes

Convening Method: Physical Meeting

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

Place: 2F, No. 1. Industrial East Road 2, Science-Based Park, Hsinchu

(Science Park Life Hub/Darwin Hall)

Total common shares outstanding: 586,221,651 shares

Attending shareholders and proxy representing: 478,777,515 shares (including 329,953,199 shares of e-voting), ratio of Attending shareholders and proxy representing to total common shares outstanding: 81.67%, exceeding the statutory quorum.

Participants: Hsiu-Lan Hsu (Chairperson), Chin-Tan Liu (Independent Director / Convener of Audit Committee), Tang-Liang Yao (Director), Ming-Kung Lu (Director), Wen-Huei Tsai (Director), Hau Fang: Kaijiang Corporation Representative (Director), Chien-Yong Ma (Independent Director). Total of 7 directors attended, representing more than half of the 11 directors.

In Attendance: Chen-Chien Chen (President), KPMG Accountant An-Chih Cheng, Chun-Yuan Wu

Chairperson Hsiu-Lan Hsu

Secretary Shu-Ching Shen

1. Call Meeting to Order

The aggregate shareholding of the presenting shareholders constituted a quorum.

2. Chairperson's Address

(Omitted)

3. Report Items

Item 1

Motion Fiscal 2023 Business Report submitted for review

Description Please refer to the Fiscal 2023 Business Report as attachment 1 .

Deliberations of the meeting : No questions raised by shareholders.

Item 2

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

Description Please refer to the Audit Committee's 2023 Review Report as attachment 2.

Deliberations of the meeting : No questions raised by shareholders.

Item 3

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

Description (1) The company 2023 earning (Before deducting remuneration to employees and directors from Profit before Tax) is NTD 10,471,088,048. Pursuant to Article 27 of Articles of Incorporation, if the Company is profitable at the end of each fiscal year, 3~15% of the profit shall be appropriated for the employees' remuneration and no more than 3% shall be appropriated for directors' remuneration.

(2) The Company is proposed to distribute NTD 550,000,000 to employees (distribution ratio 5.25%) and NTD 55,000,000 to directors (distribution ratio 0.53%). Distribution to both employees and directors is made in cash.

(3) Employees entitled to receive remuneration is pursuant to Article 27 of Articles of Incorporation. Remuneration amount will be decided after consideration with seniority, position, performance, contribution or special dedication, and chairperson is fully authorized.

Deliberations of the meeting : No questions raised by shareholders.

Item 4

Motion Report on 2023 earning distribution, submitted for review

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

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

Deliberations of the meeting : No questions raised by shareholders.

Item 5

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

Deliberations of the meeting : No questions raised by shareholders.

4. Approval Items

Item 1 (Proposed by the Board of Directors)

Motion	2023 business report, financial statements and earning distribution, submitted for approve
Description	(1) 2023 Financial Statements (including consolidated and standalone financial statements) were audited by KPMG CPAs, Cheng, An-Chih and Tseng, Mei-Yu. The aforementioned, FY 2023 Business Report and Earning Distribution Table have been approved by the audit committee. (2) Please refer to the Business Report, Financial Statements and Earning Distribution Table as attachment 1, attachment 3 and attachment 4. (3) Approval requested.

Deliberations of the meeting : No questions raised by shareholders.

Resolution	Approved by the voting result as following: FOR – 458,592,432 votes (96.00% of total votes) AGAINST –105,920 votes ABSTAIN –18,970,113 votes INVALID - 0 vote RESOLVED, that the above proposal be and hereby was approved as proposed.
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5. Discussion Items

Item 1 (Proposed by the Board of Directors)

Motion	Amendment to the “Policies and Procedures for Financial Derivatives Transactions”
Description	(1) To align with the future operational needs of the company, a proposal is underway to modify select clauses in our “Policies and Procedures for Financial Derivatives Transactions”. Please refer to the comparison chart as attachment 5 . (2) Resolution requested.

Deliberations of the meeting : No questions raised by shareholders.

Resolution Approved by the voting result as following:
FOR –452,335,994 votes (94.69% of total votes)
AGAINST – 86,240 votes
ABSTAIN –25,246,231 votes
INVALID - 0 vote
RESOLVED, that the above proposal be and hereby was approved as proposed.

Item 2 (Proposed by the Board of Directors)

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

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

(2) Principles and Conducting of Raising Funds

1. The issuance of new common shares for capital increase in cash

Pursuant to the Article 28-1 of Securities and Exchange Act, Board of Directors is authorized to choose either book building or public application regarding underwriting and proceed as below:

I. Book Building

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

The issue price by the Taiwan Securities Association Rules Governing Issue Company raising and issuing securities (hereinafter "Discipline

Principles”) may not be lower than 90% of the average closing prices of common shares of the Company for either one, three, or five business days before either the date on which the application is filed at Taipei Exchange or the five business days before the ex-rights date. The aforementioned price should be determined in compliance with related requirements of competent authorities. The Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of market status.

II. Public Application Offering

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

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

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

Securities and Exchange Act, the board proposes to offer through public application offering for the issuance of GDR according to the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms.

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

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

I. The necessity of private placement

a. The reasons for not taking a public offering:

Consider the capital market status, effectiveness of financing, feasibility, issuance cost, and actual requirement of bringing in strategic investors. With the limit of no-trading period of 3 years, it is better to maintain a long-term relationship with strategic partners by such security issuance of private placement. Therefore, the Company proposed to raise capital through private placement, rather than public offering.

b. The amount of the private placement:

Less than 55,000,000 shares.

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

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

II. The rationality to determine the price of private placement

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

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

b. The average price of 30 days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction.

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

III. The method to determine specific parties

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

Relevant matters about specific subscribers shall be authorized to the chairman for full responsibility.

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

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

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

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

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

Deliberations of the meeting : No questions raised by shareholders.

Resolution Approved by the voting result as following:
FOR – 435,477,056 votes (91.16% of total votes)
AGAINST – 14,172,151 votes
ABSTAIN – 28,019,258 votes
INVALID - 0 vote
RESOLVED, that the above proposal be and hereby was approved as proposed.

6. Extemporary Motion: None

7. Meeting Adjourned

09:37 a.m., Thursday, June 20, 2024.

No questions raised by shareholders during the shareholders' meeting.

The minutes record the meeting subject and results only; specific content, procedure as well as shareholders' speeches please refer to video record.

Attachment 1

2023 Business Report

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

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

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

I. Operating Results in 2023

(I) Business Plan Implementation Results

Unit: NT\$ thousands

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

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

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

(III) Profitability Analysis

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

(IV) Financial Income and Expenditure

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

(V) Research and Development Status

1. R&D expenditure in 2023

Unit: NT\$ Thousand

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

2. R&D results in 2023

Name of technology or product

(1) High quality multi-crystalline silicon materials

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

3. Future R&D plan:

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

II. Summary of the Business Plan for 2024

(I) Operating Philosophy

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

(II) Estimated Sales Volume and its Basis

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

(III) Important production and marketing policies:

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

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

(IV) Development Strategies of the Company in the Future

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

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

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

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

Chairperson Hsiu-Lan Hsu

President Chen-Chien Chen

Chief Accounting Hsiu-Ling Hsu

Attachment 2

Audit Committee Review Report

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

Sino-American Silicon Products Inc.

Audit Committee Convener:

Chin-Tang, Liu

May 10, 2024

Attachment 3

Independent Auditors' Report

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition from contracts with customers

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Goodwill impairment assessment

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

KPMG

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

Notes to Readers

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

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

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

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

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Changes in Equity

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

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent													
	Retained earnings					Other equity interest								
						Exchange differences on translation of foreign financial statements	Gains (losses) on equity instrument measured at fair value through other comprehensive income	Unearned share-based employee compensation	Total other equity interest	Treasury shares	Total	Non-controlling interests	Total equity	
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings									
Balance at January 1, 2022	\$ 5,862,217	18,304,186	1,342,786	1,330,442	7,136,458	9,809,686	(4,905,534)	(527,417)	(6,056)	(5,439,007)	-	28,537,082	23,625,856	52,162,938
Net income for the period	-	-	-	-	8,715,811	8,715,811	-	-	-	-	-	8,715,811	7,444,686	16,160,497
Other comprehensive income for the period	-	-	-	-	25,791	25,791	289,287	(827,572)	-	(538,285)	-	(512,494)	(186,651)	(699,145)
Comprehensive income for the period	-	-	-	-	8,741,602	8,741,602	289,287	(827,572)	-	(538,285)	-	8,203,317	7,258,035	15,461,352
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	688,322	-	(688,322)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	4,108,566	(4,108,566)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(3,413,099)	(3,413,099)	-	-	-	-	-	(3,413,099)	-	(3,413,099)
Changes in equity of subsidiaries and associates accounted for using equity method	-	(357,586)	-	-	-	-	-	-	3,295	3,295	-	(354,291)	(524,687)	(878,978)
Distribution of cash dividends using capital surplus	-	(1,100,807)	-	-	-	-	-	-	-	-	-	(1,100,807)	-	(1,100,807)
Others	-	370	-	-	-	-	-	-	-	-	-	370	-	370
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(3,008,846)	(3,008,846)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	8,908,614	8,908,614
Balance at December 31, 2022	5,862,217	16,846,163	2,031,108	5,439,008	7,668,073	15,138,189	(4,616,247)	(1,354,989)	(2,761)	(5,973,997)	-	31,872,572	36,258,972	68,131,544
Net income for the period	-	-	-	-	9,843,820	9,843,820	-	-	-	-	-	9,843,820	7,935,092	17,778,912
Other comprehensive income for the period	-	-	-	-	206,935	206,935	(727,450)	310,832	-	(416,618)	-	(209,683)	507,227	297,544
Comprehensive income for the period	-	-	-	-	10,050,755	10,050,755	(727,450)	310,832	-	(416,618)	-	9,634,137	8,442,319	18,076,456
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	1,364,576	-	(1,364,576)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	749,156	(749,156)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(5,451,838)	(5,451,838)	-	-	-	-	-	(5,451,838)	(3,790,640)	(9,242,478)
Holding of the company's share by subsidiaries recognized as treasury share	-	-	-	-	-	-	-	-	-	-	(4,382,100)	(4,382,100)	-	(4,382,100)
Changes in equity of subsidiaries and associates accounted for using equity method	-	108,525	-	-	(35,254)	(35,254)	-	(2,700)	(1,526)	(4,226)	-	69,045	225,352	294,397
Others	-	523	-	-	-	-	-	-	-	-	-	523	-	523
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	9,115,833	9,115,833
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	62,281	62,281	-	(62,281)	-	(62,281)	-	-	-	-
Balance at December 31, 2023	\$ 5,862,217	16,955,211	3,395,684	6,188,164	10,180,285	19,764,133	(5,343,697)	(1,109,138)	(4,287)	(6,457,122)	(4,382,100)	31,742,339	50,251,836	81,994,175

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

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

(Continued)

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Cash Flows(Continued)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to consolidated financial statements.

Independent Auditors’ Report

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Evaluation of investments accounted for using equity method

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

February 29, 2024

Notes to Readers

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

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

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

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

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

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

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

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

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

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

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

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

	Other equity interest											
			Retained earnings				Exchange differences on translation of foreign financial statements	Gains (losses) on equity instrument measured at fair value through other comprehensive income	Unearned share-based employee compensation	Total other equity interest	Treasury shares	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings						
Balance at January 1, 2022	\$ 5,862,217	18,304,186	1,342,786	1,330,442	7,136,458	9,809,686	(4,905,534)	(527,417)	(6,056)	(5,439,007)	-	28,537,082
Net income for the year	-	-	-	-	8,715,811	8,715,811	-	-	-	-	-	8,715,811
Other comprehensive income for the year	-	-	-	-	25,791	25,791	289,287	(827,572)	-	(538,285)	-	(512,494)
Comprehensive income for the year	-	-	-	-	8,741,602	8,741,602	289,287	(827,572)	-	(538,285)	-	8,203,317
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	688,322	-	(688,322)	-	-	-	-	-	-	-
Special reserve	-	-	-	4,108,566	(4,108,566)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(3,413,099)	(3,413,099)	-	-	-	-	-	(3,413,099)
Distribution of cash dividends using capital surplus	-	(1,100,807)	-	-	-	-	-	-	-	-	-	(1,100,807)
Changes in equity of associates accounted for using equity method	-	(357,586)	-	-	-	-	-	-	3,295	3,295	-	(354,291)
Others	-	370	-	-	-	-	-	-	-	-	-	370
Balance at December 31, 2022	5,862,217	16,846,163	2,031,108	5,439,008	7,668,073	15,138,189	(4,616,247)	(1,354,989)	(2,761)	(5,973,997)	-	31,872,572
Net income for the year	-	-	-	-	9,843,820	9,843,820	-	-	-	-	-	9,843,820
Other comprehensive income for the year	-	-	-	-	206,935	206,935	(727,450)	310,832	-	(416,618)	-	(209,683)
Comprehensive income for the year	-	-	-	-	10,050,755	10,050,755	(727,450)	310,832	-	(416,618)	-	9,634,137
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	1,364,576	-	(1,364,576)	-	-	-	-	-	-	-
Special reserve	-	-	-	749,156	(749,156)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(5,451,838)	(5,451,838)	-	-	-	-	-	(5,451,838)
Changes in equity of associates accounted for using equity method	-	108,525	-	-	(35,254)	(35,254)	-	(2,700)	(1,526)	(4,226)	-	69,045
Other changes in capital surplus	-	523	-	-	-	-	-	-	-	-	-	523
Holding of the company's share by subsidiaries recognized as treasury share	-	-	-	-	-	-	-	-	-	-	(4,382,100)	(4,382,100)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	62,281	62,281	-	(62,281)	-	(62,281)	-	-
Balance at December 31, 2023	\$ 5,862,217	16,955,211	3,395,684	6,188,164	10,180,285	19,764,133	(5,343,697)	(1,109,138)	(4,287)	(6,457,122)	(4,382,100)	31,742,339

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

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

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

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

(Continued)

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

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

Statements of Cash Flows (Continued)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

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

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

Attachment 4

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

(Unit: NT\$)

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

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

Attachment 5

Sino-American Silicon Products Inc.

Comparison Chart of Policies and Procedures for Financial Derivatives Transactions

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

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

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

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

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