Stock Code: 5483

Sino-American Silicon Products Inc.

2023 Annual Report

Issue Date: April 30, 2024

Information website: http://mops.twse.com.tw
http://www.saswafer.com

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

I. Spokesperson of the Company

Name: Chung-Wei Lee
Title: Vice President of Corporate Development
Tel: 886-3-577-2233
E-mail: CWLee@saswafer.com

Acting Spokesperson
Name: Pei-Yi Chen
Title: Vice President of Marketing
Tel: 886-3-577-2233
E-mail: JenniferChen@saswafer.com

II. Address and Telephone Number of The Company Headquarter, Subsidiaries, and Plants

Headquarters and Plant
Address: 4F, No.8, Industrial East Road 2,
Hsinchu Science Park, Hsinchu, Taiwan, R.O.C.
Tel：886-3-577-2233

Chunan Branch and Plant
Address: No. 6, Kezhong Road, Chunan Town,
Miaoli County, Hsinchu Science Park
Tel：886-37-582-533

Yilan Branch and Plant
Address: No. 1, Section 2, Ligong First Road,
Wujie Township, Yilan County
Tel：886-990-5511

Hsu-Hsin Branch and Plant
Address: No. 6, Kezhong Rd., Chunan Township,
Miaoli County
Tel：886-37-582-533

Subsidiaries and Plants

Globalwafers Co., Ltd.
Address: No. 8, Industrial East Road 2,
Hsinchu Science Park, Hsinchu, Taiwan, R.O.C.
Tel：886-3-577-2255

Taiwan Speciality Chemicals Co., Ltd.
Address: No.1, Zhangbin W. 3rd Rd.,
Xianxi Township, Changhua County, Taiwan, R.O.C
Tel：886-4-791-1072

Advanced Wireless Semiconductor Company
Address: No.6, Da-Li 1st Rd, Hsin-Shi, Tainan City,
Taiwan, R.O.C
Tel：886-6-505-0999

Actron Technology Corporation
Address: No. 22, Section 2, Nankan Road,
Luzhu District, Taoyuan City, Taiwan, R.O.C
Tel：886-3-311-5555

III. Stock Transfer Agency

Name: Stock Agency Department of Yuanta Securities Co., Ltd.
Address: B1, No. 210, Section 3, Chengde Road, Taipei City
Tel: 886-2-2586-5859
Website: http://www.yuanta.com.tw

IV. External Auditor

Name of Accounting Firm: KPMG Taiwan
Name of CPAs: An-Chih Cheng, Mei-Yu Tseng
Address: 68F, No. 7, Sec. 5, Hsinyi Rd., Taipei City
Tel: 886-2-8101-6666
Website: http://www.kpmg.com

V. Global Depositary Receipt (GDR) Agency

Luxembourg Stock Exchange
Method of inquiring about overseas securities information: http://www.bourse.lu

VI. Company Website

http://www.saswafer.com

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I. Letter to Shareholders

Dear Shareholders,

Thank you for attending the 2024 Shareholders' Meeting of Sino-American Silicon Products Inc. (SAS) and for your support and love for the Company.

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 in markets such as Europe and Southeast Asia, and reimported to Taiwan at a lower price, impacting domestic sales. 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 has been 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 SAS totaled NT$81.97 billion with YoY 0.12%; gross profit of NT$26.69 billion; operating income of NT$18.61 billion; profit before tax of NT$24.55 billion; net profit ofNT$17.78 billion, net profit attributed to the parent ofNT$9.84 billion, EPS of NT$16.99, with consolidated revenue and EPS hitting record highs!

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

I. Operating Results in 2023

A. Operational Performance

Unit: NT$ thousands

Item \ Year	2023	2022	Percent Change (%)
Operating Revenue	81,965,952	81,871,496	0.12
Operating	55,279,360	49,942,234	10.69
Gross Profit from Operations	26,686,592	31,929,262	-16.42
Operating Expense	8,079,809	6,529,448	23.74
Operating Income	18,606,783	25,399,814	-26.74
Income Before Income Tax	24,549,412	20,828,706	17.86
Net income	17,778,912	16,160,497	10.01
Net Income (Attributed to the parent company of the current period)	9,843,820	8,715,811	12.94

B. Budget Implementation: The Company had not announced its financial forecast for 2023.

C. 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
	Earnings per share (NT$)		16.99	14.87

D. 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.

E. Research and Development

1. 2023 Research and Development Expenditure

Unit: NT$ thousands

Item/Year	2023	2022
Research and Development Expenses	2,958,105	2,348,112
Operating Revenue	81,965,952	81,871,496
R&D expenses as a percentage of revenue (%)	3.61	2.87

2. 2023 Achievement

   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

A. Business Guideline

(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, 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.

B. Sales Forecast 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. PVInfoLink analysts estimate that the annual installation volume in 2024 will be up to 463 GW, with high-efficiency single-crystal N-type products becoming the mainstream trend. Understanding market trends and staying ahead of industry innovations allows the Company to make timely adjustments to its management strategies. This includes developing new-generation, ultra-efficient products, which will ultimately strengthen the Company's overall competitive advantage.

C. Important Production and Marketing Policies:

(1) Continuously develop the regional market, to catch trading opportunities under the trade war and new green policies.

(2) Strengthen cooperation with long-term customers, and develop high-efficiency and large-size niche products with core technology.

(3) Increase the added values while actively reducing manufacturing costs to increase margins.

(4) Explore the downstream system business, strengthen vertical integration and global footprint, further expand the product market, and increase operating profit margin.

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

D. Future Strategy

(1) Develop the compound semiconductor platform by applying the Group’s synergies.

(2) Continuously develop and enhance the quality-price ratio of solar products through technologies and product 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.

E. Effect of External Competition, Regulatory Environment and Macroeconomic

(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 renewable energy will account 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, aiming to expand beyond Taiwan and establish a global presence. 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.

Finally, I would like to thank all shareholders for their long-term support and encouragement. I hope that all shareholders will continue to give the Company their love and support. On behalf of all our colleagues and the Board of Directors, I would like to express my sincere thanks.

I wish you good health and all the best.

Chairperson Hsiu-Lan Hsu

II. Company Profile

I. Date of Incorporation

January 21, 1981

II. Company History

- January 1981 The Company was officially established.
- August 1982 Trial production of silicon monocrystal rod and silicon wafer was successful.
- March 1984 Dr. Yan Dao served as Chairperson of the Board of Directors.
- April 1990 Cash capital increase to NT$300 million was formally approved.
- June 1991 The mass production of automobile rectifiers was successful and they were officially sold.
- September 1991 The Company became the first company in China which independently developed and completed the mass production of zinc oxide surge absorber, namely zinc oxide rheostat.
- December 1991 The monthly production of automotive rectifiers exceeded 2 million, second only to Motorola.
- July 1995 Cash increased to NT$400 million.
- October 1995 ISO-9002 certification was obtained.
- February 1997 Phase IV plant renovation and new works were completed.
- November 1997 Ms. Sun Lingling served as the Chairperson of the Board.
- December 1997 Cash increased to NT$600 million.
- March 1998 The Company invested in Songlong Electronics Co., Ltd. to manufacture surge absorbers.
- August 1998 The capital reserve converted into capital increase was NT$630 million.
- November 1998 The Company invested in Actron Technology Corporation.
- June 1999 QS-9000 certification was passed.
- October 1999 The Company invested in Chinese Mainland and set up Kunshan Sino Silicon Co., Ltd.
- December 1999 Cash increased to NT$780 million.
- March 2000 The mass production of polished wafers was successful.
- September 2000 Zhongchen completed the construction of the plant and began mass production.
- March 2001 Official listing and launching.
- October 2001 "Ultrathin Wafer Processing Technology" won the Award of Research and Development Program of Innovative Technologies in Science Industrial Parks.

- June 2002 — "The High-efficiency Monocrystal Lifting Technology Development" Plan obtained the subsidy of Special Science and Technology Case of the Ministry of Economy.
- November 2002 — The Company invested in Topsil, Denmark.
- December 2003 — The eight-inch-long crystal technology was successfully developed.
- June 2004 — "The Development Plan of 2.5mohm-cm Monocrystal Substrate Material with Ultra-low Resistance and Heavy Arsenic Doped Silicon" won the Award of Research and Development Program of Innovative Technologies in Science Industrial Parks.
- July 2004 — "The Large-size and High-efficiency Solar PV Silicon Monocrystal Substrate Material Development Plan" obtained the R&D Subsidy of Leading New Products of the Ministry of Economy.
- July 2004 — "The Sino-American Silicon Innovation Technology Research and Development Center" was established.
- September 2004 — "The High-power Power and Electronics Wafer Technology Development Plan" was awarded the Science and Technology Project of the Ministry of Economy.
- September 2004 — ISO 14001 certification was passed.
- October 2004 — The Company won the 12th Industrial Science and Technology Development Award.
- November 2004 — "Blue Diode Sapphire Substrate Material Development Plan" won the Award of Research and Development Program of Innovative Technologies in Science Industrial Parks.
- April 2005 — The research and development of thick film bonded wafer (SOI wafer) was successful.
- June 2005 — Chunan Branch was established.
- July 2005 — TS16949:2002 certification was passed.
- September 2005 — "Deep Diffusion Polishing Wafer Development Plan" won the Award of Research and Development Program of Innovative Technologies in Science Industrial Parks.
- November 2005 — Chunan Branch held the Beam Raising Ceremony.
- November 2005 — Phase II expansion of Zhongchen Plant was completed.
- May 2006 — Trial production of Chunan Branch was successful.
- July 2006 — The mass production of the Chunan Branch officially started.
- October 2006 — Opening ceremony of Chunan Branch.
- April 2007 — Mr. Ming-Kuang Lu served as the Chairperson of the Board.
- April 2008 — Acquisition of 100% of stock equity of GlobiTech Incorporated from the US was completed.
- October 2008 — The Company won the Outstanding Innovative Enterprise Award of the 16th "Industrial Science and Technology Development Award" of the Ministry of Economy.

- October 2009 The 100 MW Acquaviva 3 solar power plant was installed in Bari, Italy, via SilFab Spa, a reinvestment company.
- June 2010 The construction of Chunan No. 2 Plant was completed.
- September 2010 The Company won the Excellent Industry Contribution Award for the Implementation of Industry Science and Technology Program issued by the Ministry of Economy.
- November 2010 With Shengyang Photoelectric Technology Corporation and Xindong Investment Corporation, the Company established Zhongyang PV Corporation.
- February 2011 The certification of the Taiwan Intelligent Property Management System (TIPS) was passed.
- October 2011 The company division plan of three major business divisions was completed; Sino-American Silicon retained the solar energy business, and newly established Globalwafers (Semiconductor Division and Transfer) and Sino Sapphire (Sapphire Division and Transfer).
- April 2012 Globalwafers Corporation, a subsidiary of Sino-American Silicon, completed the acquisition of the semiconductor silicon wafer business division of Japanese company Covalent Materials Corporation.
- September 2012 Aegis® Wafer won the Solar Energy Industry Award/Silicon Material Innovation Award.
- January 2013 Sino Sapphire, a subsidiary of Sino-American Silicon, was formally merged into Crystalwise Corporation.
- February 2013 The further certification of the Taiwan Intelligent Property Management System (TIPS) was passed.
- May 2013 Sino-American Silicon merged Zhongyang PV, and integrated solar energy business resources.
- September 2013 Sino-American Silicon was awarded the title of Top 50 Taiwan's Listed Enterprises in Terms of Patent Value of the United States.
- August 2014 The mergers and acquisition of Sunrise Global Solar Energy Co., Ltd. was completed.
- April 2015 The certification of Occupational Safety and Health Management System OHSAS 18001 was passed.
- April 2015 The Company won the title of "Top 5% of TPEx Listed Companies" of the First Corporate Governance Appraisal.
- July 2015 Sino-American Silicon was engaged in solar system, and the construction of Palo Power Plant in Philippines started.
- March 2016 The ISO 9001:2015 certification of Chunan Plant was passed.
- April 2016 The Company won the title of "Top 5% of TPEx Listed Companies" of the Second Corporate Governance Appraisal.

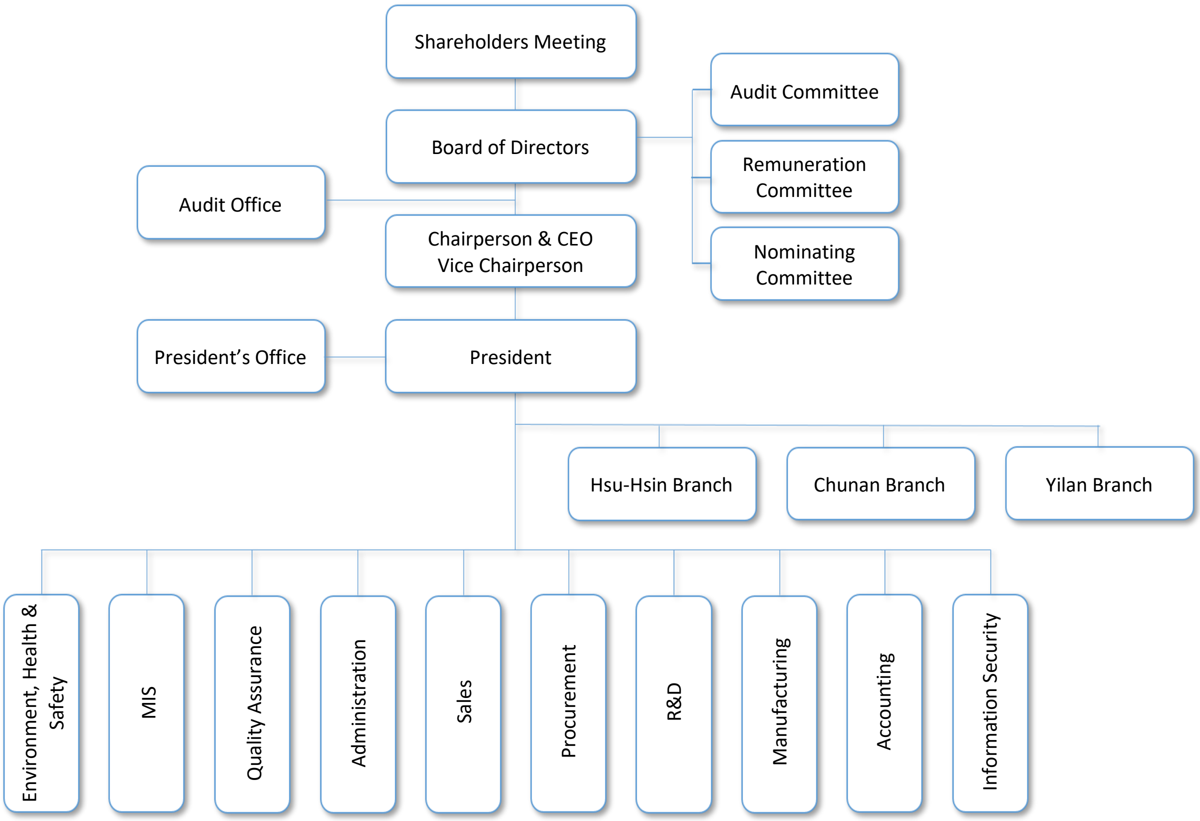
- May 2016 The 50MW solar power plant built on Wright Island in the Philippines was officially commercialized.
- August 2016 The Company won Laudise Prize of the International Organization of Crystal Growth (IOCG).
- December 2016 President Hsiu-Lan Hsu won the Award of National Outstanding Executive Award of Business Managers Association.
- December 2016 The Company won the Golden Energy Award awarded by the Energy Bureau of the Ministry of Economy.
- February 2017 The subsidiary FZtech Inc. won the Integration Output Award of Smart City Exhibition System in 2017.
- April 2017 The Company won the title of "Top 5% of TPEx Listed Companies" of the Third Corporate Governance Appraisal.
- April 2017 The Company won the National Invention and Creation Award in 2016.
- November 2017 The Company participated in the establishment of the Product Carbon Footprint Emission Coefficient Database of Environmental Protection Administration, Executive Yuan in 2017 and contributed a lot.
- November 2017 The Company won the Gold Award of Electronic and Information Manufacturing Industry Group of "Taiwan Company Sustainability Award (TCSA) in 2017".
- December 2017 The Company was selected as a benchmark enterprise in Economic Daily's "Corporate Social Responsibility Yearbook in 2017".
- April 2018 The Company won the title of "Top 5% of TPEx Listed Companies" of the Fourth Corporate Governance Appraisal.
- April 2019 The Company won the title of "Top 5% of TPEx Listed Companies" of the Fifth Corporate Governance Appraisal.
- May 2019 The solar cells are certified with the Made in Taiwan MIT Smile Product.
- April 2020 The Company won the title of "Top 5% of TPEx Listed Companies" of the Sixth Corporate Governance Appraisal.
- September 2020 The Company won the Excellency Award for “2020 Outstanding Enterprise of Waste Reduction and Circular Economy” sponsored by the Science Park.
- April 2021 The Company won the title of "Top 5% of TPEx Listed Companies" of the Seventh Corporate Governance Appraisal.
- May 2021 The Chunan Plant won the Diamond Grade Label of Green Buildings.
- December 2021 The Chunan Plant won the Green Factory Label.
- April 2022 The Company won the title of "Top 5% of TPEx Listed Companies" of the Eighth Corporate Governance Appraisal.

- October 2022 — Awarded the Taiwan Excellent PV Award from the Energy Administration, Ministry of Economic Affairs.
- April 2023 — The Company won the title of "Top 5% of TPEx Listed Companies" of the Nineth Corporate Governance Appraisal.
- October 2023 — Awarded the Taiwan Excellent PV Award from the Energy Administration, Ministry of Economic Affairs.
- December 2023 — Awarded the Outstanding Unit Award for Promoting Workplace Gender Equality in Hsinchu Science Park in 2023.
- April 2024 — The Company won the title of "Top 5% of TPEx Listed Companies" of the Tenth Corporate Governance Appraisal.

III. Corporate Governance Report

I. Organization Structure

A. Organization Chart



B. Responsibilities of Major Departments

Department	Responsibilities
Chairperson	Set up business plans, strategies, and targets. Execute resolutions from Board of Directors Meeting and Shareholder Meeting
Audit Office	Inspect and assess the soundness, adequacy and effectiveness over the Company's internal control system. Responsible for the execution, audit and reports over the internal controls.
President and President's Office	Perform resolutions from meetings of Board of Directors. Execution of management and projects. Define business plans and strategies and ensure planned business targets achieved. Evaluate and analyze business and management performance.
MIS	1. Maintain IT hardware & software 2. Plan and execute E-working
Information Security	1. Promotion of cyber security 2. Legal compliance of cyber security 3. Promotion of cyber security policies
Environment, Health & Safety	Responsible for the formulation and management of the Company's occupational safety and health management norms and systems, identify and prevent accidents and disaster risks, promote the management, and improve the promotion of staff health and safety and other related business activities.
Quality Assurance	Establish and maintain products standards and its relevant inspection standards. Inspect on purchased materials, tools, production process, and finished products. Perform product quality improvement activities.
Administration	1. Plan, recruit and train human resources, plan and perform annual training courses. 2. Legal related business, including compliance of laws and regulations, contracts and lawsuits.
Accounting	Capital, taxation, asset management, finance and management accounting.
Sales	1. Market strategy, explore potential market, customer communication and after service. 2. Collect market information, customer service and product application, assist the R&D and promotion activities of new products.
Procurement	Procure and purchase. Evaluate new suppliers. Manage raw materials and suppliers.
R&D	Research, develop, test new products. Improve production technology, yield and capacity. Collaborate with academic institutions. Design and improve machineries.
Manufacturing	1. Manage production and quality, abnormity, utilization of raw materials, scrap, maintain work environment and security, human resource arrangement and training, expansion preparation and execution. 2. Construct and maintain plant facilities of the Company, and execute environmental safety, sanitary and industrial safety issues 3. Evaluate and purchase new machineries and in charge of maintenance and improvement.

II. Information on the Company's Directors, Supervisors, President, Vice President, Assistant Vice President, and The Supervisors of All the Company's Divisions and Branch Units

A. Directors' Information

1. Directors' Information

April 22, 2024, Unit: share%

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Inaugurated)	Duration	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Education/work experience	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity			Note
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	
Chairperson	Republic of China	Hsiu-Lan Hsu	Female 61-70 years old	2023.06.21	Three years	1998.09.07	2,971,085	0.51%	2,971,085	0.51%	0	0	0	0	Master of Computer Science, University of Illinois/President of the Company	Note 1	None	None	None	Note 12
Vice Chairperson	Republic of China	Tang-Liang Yao	Male 61-70 years old	2023.06.21	Three years	1998.11.06	3,090,395	0.53%	2,980,395	0.51%	14,413	0	0	0	Master of Management and Research Institute of Tamkang University/ Assistant Manager of Manufacturing Department of Xuxing Technology Corporation/ President of the Company	Note 2	None	None	None	None
Director	Republic of China	Ming-Kuang Lu	Male 71-80 years old	2023.06.21	Three years	1998.09.07	11,225,000	1.91%	11,025,000	1.89%	1,171,685	0.20%	0	0	Honorary Doctor of Engineering of National Chiao Tung University/ Honorary Doctor of Engineering of Tatung University/ Academician of Industrial Technology Research Institute/ President of Lite-On Semiconductor Corporation/ President of Xuxing Science and Technology Corporation/ Vice President of Xuli Corporation	Note 3	None	None	None	None
Director	Republic of China	Wen-Huei Tsai	Male 61-70 years old	2023.06.21	Three years	2006.06.08	3,006,191	0.51%	3,006,191	0.51%	30,490	0.01%	0	0	Department of Accounting, National Chengchi University/ Director of Hongdian Medical Science and Technology Corporation/ Director of ENE Technology Inc.	Note 4	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Inaugurated)	Duration	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Education/work experience	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity			Note
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	
Director	Republic of China	Feng-Ming Chang	Male 61-70 years old	2023.06.21	Three years	2020.06.24	6,000,000	1.02%	6,000,000	1.02%	0	0	0	0	Master of Computer Science, University of Southern California/ Master of Economics, Texas A&M University/ Director of TECO Corporation/ Director of Syntec Scientific Corporation	Note 5	None	None	None	None
Director	Republic of China	Kai Jiang Co., Ltd Representative: Hau Fang	Male 41-50 years old	2023.06.21 2023.06.21	Three years Three years	2014.06.26 2017.06.27	2,130,000 0	0.36% 0	2,150,000 0	0.37% 0	0 0	0 0	0 0	0 0	Master of International Business Administration, National ChengChi University/ Bachelor of Business Administration, University of Arizona, USA/ Vice President, Asia Carbons & Technology Inc.	Note 6	None None	None None	None None	None None
Director	United States of America	Kun Chang Investment Co., Ltd Representative: Edward Andrew Ow	Male 31-40 years old	2023.06.21 2023.06.21	Three years Three years	2011.06.17 2020.06.24	2,202,100 0	0.38% 0	2,202,100 0	0.38% 0	0 0	0 0	0 0	0 0	Department of Energy Economics, University of California, Berkeley/ Chairperson of Edison's Co., Ltd./ Director of VIA Faith and Love Charity Foundation/ Director of Chinese Christian Faith and Love Foundation	Note 7	None None	None None	None None	None None
Independent Director	Republic of China	Jin-Tang Liu	Male 61-70 years old	2023.06.21	Three years	2020.06.24	0	0	0	0	0	0	0	0	Bachelor, Department of Accounting, Tamkang University/ CPA, KPMG/ Governor of 21th Term, Taiwan Provincial CPA Association/ Independent Director of Min Aik Precision Industrial Co., Ltd.	Note 8	None	None	None	None
Independent Director	Republic of China	Hou-Chung Kuo	Male 51-60 years old	2023.06.21	Three years	2020.06.24	0	0	0	0	0	0	0	0	PhD, Electrical Engineering and Computer Science, University of Illinois, Urbana-Champaign	Note 9	None	None	None	None
Independent Director	Republic of China	Shao-Lun Li	Male 61-70 years old	2023.06.21	Three years	2020.06.24	0	0	0	0	0	0	0	0	PhD of Material Science, University of California/ Executive VP, Lam Research Corporation/ Director of TVBS Media Inc./ Supervisor of HTC Corporation/	Note 10	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Inaugurated)	Duration	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Education/work experience	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity			Note
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	
															President of Chander Electronics Corporation					
Independent Director	Republic of China	Chien-Yong Ma	Male 61-70 years old	2023.06.21	Three years	2023.06.21	0	0	0	0	0	0	0	0	PhD., Institute of Metallurgy, University of Stuttgart/ Master of Material Engineering, National Taiwan University/ President of Solar Applied Materials Technology Corp./ Chairperson of Solar Applied Materials Technology Corp.	Note 11	None	None	None	None

Note 1: At present, she is also the Chairperson and CEO of GlobalWafers Co., Ltd., Representative of Institutional Director of Actron Technology Corporation, Chairperson of Crystalwise Technology Inc., Representative of Institutional Director of Advanced Wireless Semiconductor Company, Chairperson of Taiwan Specialty Chemicals Corporation, Representative of Institutional Director of SAS Sunrise Inc., Chairperson of Sunrise PV Three Co., Ltd., Chairperson of Sunrise PV Four Co., Ltd., Chairperson of SAS Capital Co., Ltd., Chairperson of GWC Capital Co., Ltd., Chairperson of Sustainable Energy Solution Co., Ltd., Director of GlobalSemiconductor Inc., Chairperson & CEO of GlobiTech Incorporated, Chairperson of GlobalWafers Japan Co., Ltd., Vice Chairperson of Kunshan Sino Silicon Technology Co., Ltd., Chairperson of Topsil GlobalWafers A/S, Director of GlobalWafers Singapore Pte., Ltd., Director of GlobalWafers B.V., Chairperson of MEMC Japan Limited, Director of MEMC Korea Company, and Chairperson of GlobalWafers America LLC., Director of Crystalwise Technology (HK) Limited

Note 2: At present, he is also the Representative of Institutional Director of GlobalWafers Co., Ltd., Chairperson and CEO of Actron Technology Corporation, Representative of Institutional Director of Advanced Wireless Semiconductor Company, Representative of Institutional Director of Taiwan Specialty Chemicals Corporation, Representative of Institutional Director of Sunrise PV Three Co., Ltd., Representative of Institutional Director of SAS Capital Co., Ltd., Representative of Institutional Director of GWC Capital Co., Ltd., Director of Yuanhong (Shangdong) Photoelectric Material Co., Ltd., Director of Shanghai Zhaoye Shenkai Electronic Materials Co., Ltd., Representative of Institutional Director of REC Technology Corporation, Representative of Institutional Director of Ding-Wei Technology Co., Ltd., Representative of Institutional Director of Mosel Vitelic Inc., Chairperson of Kunshan Sino Silicon Technology Co., Ltd., Director of GlobiTech Incorporated, Director of GlobalWafers Japan Co., Ltd., Director of GlobalWafers Singapore Pte. Ltd., and Director of GlobalWafers America LLC., Director of Yuan Hong Technical Materials Ltd.(YHTM)

Note 3: At present, he is also the Representative of Institutional Director of GlobalWafers Co., Ltd., Director of Actron Technology Corporation, Representative of Institutional Director of SAS Capital Co., Ltd., Representative of Institutional Director of GWC Capital Co., Ltd., Independent Director of Lite-On Technology Corporation, Representative of Institutional Director of Formerica Optoelectronics Inc., Chairperson of REC Technology Corporation, and Chairperson of Big best Solutions Inc.

Note 4: Currently he serves as the director of Advanced Wireless Semiconductor Company concurrently

Note 5: At present, he is concurrently Chairperson of Merle Co., Ltd, Chairperson of Song Luo Co., Ltd., General Affair Governor of The Wings of Hope, and Vice Chairperson of Grand World Compassion.

Note 6: At present, he is concurrently Representative of Institutional Director of Actron Technology Corporation.

Note 7: At present, he is concurrently Chairperson of Edison's Co., Ltd., Vice President of Investment Department of Weilian Technology Corporation, Director of VIA Faith and Love Charity Foundation, Director of Chinese Christian Faith and Love Foundation

Note 8: At present, he is concurrently Independent Director of Prolific Technology Inc., and Independent Director of Unizyx Holding Corporation

Note 9: At present he is concurrently Professor of Department of Photonics, National Yang Ming Chiao Tung University.

Note 10: At present, he concurrently serves as Director of TVBS Faith, Hope and Love Sustainability Foundation, Vice President of VIA Technologies, Director of Cross-Strait Peace Taiwan Trust, Hope and Love Culture and Education Foundation, and Chairperson of VTron Techonolgoy Consultancy Co., Ltd.

Note 11: At present, he is concurrently serves as Chairperson of Forcera Materials Co., Ltd., Chairperson of Openness Specialty Materials Corp. Ltd., Independent Director of Advanced Wireless Semiconductor Company, Independent Director of GALLANT PRECISION MACHINING CO., LTD., Director of Yu Tay Vacuum Co., Ltd, and Director of HIGHLIGHT TECH CORP.

Note 12: Where the chairperson of the board of directors and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto:

Under the consideration of the operating scale and in order to improve overall operating efficiency, the chairperson of the Company is also the CEO. Other than the positions mentioned, the Company also has a position of the President, which is having different authorities. The CEO is more focused on the planning aspect (Responsible to develop the Company's business strategy, annual budget plan, important customer relationship maintenance, strategic alliance planning, investment layout planning and annual achievement tracking, etc.) and the President is responsible for the execution aspect of the Company's operation (Focus on coordination and supervision to achieve operational objectives, while implementing the Company's policies and the business strategy and related operational matters planned by the CEO), which complements on another. By having the Chairperson also working as the CEO, the board of directors can plan the Company's development blueprint much practical for operating and managing as well as to have more clarity to the operating status of the Company. More than half of the Board members of the Company are not being employees or managers at the same time, and the Board of Directors has four independent directors. The functional committee members are chaired by independent directors to make recommendations to the Board after full discussion of important issues, which strengthens the supervisory functions of the Board of Directors and implements corporate governance.

2. Major shareholders of the institutional shareholders:

April 22, 2024

Name of Institutional Shareholders	Major shareholders of the institutional` shareholders
Kaijiang Co., Ltd.	Ling-Ling Sun (69.72%), Kai-Jiang Fang (4.20%), Hao Fang (5.88%) and Hua Fang (4.20%)
Kunchang Investment Co., Ltd.	Christian Chinese Trust, Hope and Love Foundation (17.50%), Cross-Strait Peace Taiwan Trust, Hope and Love Culture and Education Foundation (17.50%), Social Welfare Charitable Trust Social Welfare Foundation (17.50%) and Weisheng Trust, Hope and Love Charity Foundation (17.50%).

3. The Main shareholders are institutional shareholders: None

4. Information disclosure for professional qualification and experience of directors, and independent directors' independence:

Conditions / Name	Professional qualification and experience	Independence status of independent directors	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairperson Hsiu-Lan Hsu	● Served as Sales Assistant President, Vice President and President of Sino-American Silicon; currently serves as Chairperson of GlobalWafers, Chairperson of Crystalwise Technology Inc. and Director of Actron Technology Corporation. ● Possessing more the three decades of industrial experience. As an executive, she has rich experience in commerce, legal affairs, finance, and accounting fields required for the Company's operation, with abundant experience, as well as the expertise and ability of decision-making required for the Company's operation. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A.	None
Vice Chairperson Tang-Liang Yao	● Served as President of Sino-American Silicon, Assistant President of Xuxing Science and Technology Corporation; Chairperson of Crystalwise Technology Inc. and Assistant Vice President of Xuxing Science and Technology Corporation; currently serves as Director of GlobalWafers Co., Ltd. and Chairperson of Actron Technology Corporation. ● Spent 40 years in the industry, with rich knowledge about production, manufacturing, and management. He has multiple-year experience as an executive as well as rich cross-field experience in operation and management of a company, with abundant cross-discipline corporate experience, to furnish unique insights and advice depending on different macroeconomic and industrial scenarios. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A.	None
Director Ming-Kuang Lu	● Serves as President of Lite-On Semiconductor Corp., President of Xuxing Science and Technology Corporation; Chairperson of Sino-American Silicon, Director of GlobalWafers; currently serves as Director of Actron Technology Corporation, Independent Director of Lite-On Technology Corporation. and Honorary Chairperson of SAS and Actron Technology Corporation. ● Has worked in the semiconductor industry for more the four decades. He had frequently outperformed in terms of corroborate management, with excellent management ability, unique forward-looking vision, commercial negotiation skills, and deep knowledge of finance and accounting, with sufficient intelligence and expertise required for the Company's operation. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A.	1

Director Wen-Huei Tsai	● Served as Director of Hongdian Medical Science and Technology Corporation; currently serving as Director of Advanced Wireless Semiconductor Company. ● Very familiar with the capital market and financial system, and sensitive to the industrial environment. He is able to offer real-time perspectives and insights of the Company's operation directions and strategies, and provide the direction of adjustment and advices. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A.	None
Director Feng-Ming Chang	● Served as Director of TECO Corporation and Chairperson of Syntec Scientific Corporation; currently serves as Chairperson of Merle Co., Ltd. ● Possessing abundant industrial experience, with experience of operation and management, as well as abilities of crisis management, leadership and decision making. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A.	None
Director Kai Jiang Co., Ltd Representative: Hau Fang	● Served as Vice President of Asia Carbons & Technology Inc. and Chairperson of Taiwan Insulation Material Industrial Co., Ltd.; currently serving as Director of Actron Technology Corporation. ● Possessing expertise in investment management, operation and management, and strategic planning. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A.	None
Director Kun Chang Investment Co., Ltd Representative: Edward Andrew Ow	● Currently serves as Chairperson of Edison Opto Corp., and Vice President of Investment Department, CW & ET Link Inc. ● Possessing expertise in investment management, operation and management, and strategic planning. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A.	None
Independent Director Jin-Tang Liu	● Holding CPA qualification, and served as CPA in KPMG Taiwan; currently serves as Independent director of Prolific Technology Inc. and Independent Director of Unizyx Holding Corporation. ● Possessing accounting and finance professional knowledges and abundant industrial experience; his professionalism, knowledge, and expertise in accounting and finance enable him to provide the immediate perspectives and insights to the Company's direction and strategies of operation, as well as the direction of adjustment and advices. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act, and qualified for the requirements of the professional qualification in Article 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	Qualified for the requirements of the independence in Article 3, and restriction of current positions held in Article 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." (1) Himself, spouse, or relative within the second degree of kinship not a director, supervisor, or employee of the company or any of its affiliates. (2) None of the Company's share is held by him/herself, spouse, or relative within the second degree of kinship (including held by the person under others' names) (3) Not a director, supervisor, or employee of the companies with certain relationships with the Company. (4) No compensation is received by providing commercial, legal,	2
Independent Director Hou-Chung Kuo	● Professor, Department of Photonics, National Yang Ming Chiao Tung University ● Kuo has more than 20 years of experience in application research and semiconductor, and is invariably committed to researching compound semiconductor. He was honored as the 2021 "Excellent Engineer/Professor" by Chinese Institute of Engineers. His broad knowledge is greatly beneficial to the Company and the Group's R&D direction and IP management. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act, and qualified for the requirements of the professional qualification in Article 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."		None

Independent Director Shao-Lun Li	● Served as Executive VP, Lam Research Corporation, Supervisor of HTC Corporation, President of Chander Electronics corp.; currently serves as Vice President of VIA Technologies and Chairperson of VIA Venture Technology Consultancy Co., Ltd. ● Possessing abundant industrial experience, with experience of operation and management, as well as abilities of crisis management, leadership and decision making. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act, and qualified for the requirements of the professional qualification in Article 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	financial, accounting or related services to the company or any affiliate of the company in the past 2 years.	None
Independent Director Chien-Yong Ma	● Served as team leader of Materials and Electro-Optics Research Division, National Chung Shan Institute of Science & Technology; President of Touch Micro-system Tech. (MEMS BU); President and Chairperson of Solar Applied Materials Technology Corp. He currently serves as Chairperson of Forcera Materials Co., Ltd., Chairperson of Openness Specialty Materials Corp. Ltd., Independent Director of Advanced Wireless Semiconductor Company, Independent Director of GALLANT PRECISION MACHINING CO., LTD. ● Possessing abundant industrial experience, with experience of operation and management, as well as abilities of crisis management, leadership and decision making. ● None of the circumstances in the subparagraphs of Article 30 of the Company Act, and complying with the requirements of Article 2, the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."		2

5. The board of directors' diversity and independence:

a. The board of directors' diversity:

The Company's "Corporate Governance Best-Practice Principles" has expressly defined the formation of the Board members and ability to be held by the members. The Company has also established the diversified policy for the Board members. The composition of the board of directors has been determined by taking diversity into consideration, and appropriate policy on diversity based on the Company's business operations, operating dynamics, and development has been formulated, as the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Operational Judgment Ability
2. Accounting and Financial Analysis Ability
3. Business Management Ability
4. Ability to conduct crisis management.
5. Industrial Knowledge
6. International Market Perspective
7. Leadership Ability
8. Decision-making Ability

The implementation of diversity by board members is illustrated as follows:

Of the eleven current directors of the Company, four are independent directors (accounting 36%); one is female director (9%), and two are directors with employee status (18%); Among four independent directors, one has the tenure under three years, the other three's tenure are three to six years. The Company emphasizes the gender equality among the board members, and the target is at least one seat of female director. In the future, the

Company will actively plan to increase the seats of female directors, and the plan will be at least one third of the board members for either gender.

The board members possess the work experience and expertise in operation and management, industrial knowledge, finance and strategic management; the implementation of the board members' diversity are as following table:

Diversified Core Items / Name of Directors	Nationality	Gender	Concurrently serving as an employee	Age					Term of office for independent director		Operational Judgment Ability	Accounting and Financial Analysis Ability	Business Management Ability	Crisis Handling Procedures	Industrial Knowledge	International Market Perspective	Leadership Ability	Decision-making Ability
				31-40 years old	41-50 years old	51-60 years old	61-70 years old	71-80 years old	Below 3 years	3-6 years								
Hsiu-Lan Hsu	Republic of China	Female	✓				✓				✓	✓	✓	✓	✓	✓	✓	✓
Tang-Liang Yao	Republic of China	Male	✓				✓				✓	✓	✓	✓	✓	✓	✓	✓
Ming-Kuang Lu	Republic of China	Male						✓			✓	✓	✓	✓	✓	✓	✓	✓
Feng-Ming Chang	Republic of China	Male					✓				✓	✓	✓	✓	✓	✓	✓	✓
Wen-Huei Tsai	Republic of China	Male						✓			✓	✓	✓	✓	✓	✓	✓	✓
Kun Chang Investment Co., Ltd. Representative: Edward Andrew Ow	United States of America	Male		✓							✓		✓	✓	✓	✓	✓	✓
Kai Jiang Co., Ltd. Representative: Hau Fang	Republic of China	Male			✓						✓	✓	✓	✓	✓	✓	✓	✓
Jin-Tang Liu (independent director)	Republic of China	Male					✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
Hou-Chung Kuo (independent director)	Republic of China	Male				✓				✓	✓		✓	✓	✓	✓	✓	✓
Shao-Lun Li (independent director)	Republic of China	Male					✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
Chien-Yong Ma (Independent Director)	Republic of China	Male					✓		✓		✓	✓	✓	✓	✓	✓	✓	✓

b. The board of directors' independence

The Company's Board of Directors consists of eleven directors, including three independent directors, which account for 36% of the board composition and all of whom meet the independence criteria set forth in Article 3 of and the concurrent position restriction set forth in Article 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." The composition of the board has no circumstances provided in paragraph 3 and 4 of Article 26-3, the Securities and Exchange Act (spouses or relatives within the second degree of kinship among directors). The composition of the board meets the independence requirement.

B. Information on the Company's President, Vice President, Assistant Vice President, and the supervisors of all the Company's Divisions and Branch Units as follows

April 22, 2024, Unit: share; %

Title	Nationality	Name	Gender	Date Elected (Inaugurated)	Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Education/work experience	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity			Note
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
CEO	Republic of China	Hsiu-Lan Hsu	Female	2008.02.01	2,971,085	0.51%	0	0	0	0	Master of Computer Science, University of Illinois/ President of Creative Sensors Inc./ President of the Company	Note 1	None	None	None	Note 7
Deputy CEO	Republic of China	Tang-Liang Yao	Male	1998.10.01	2,980,395	0.51%	14,413	0	0	0	Master of Management and Research Institute of Tamkang University/ Assistant Manager of Manufacturing Department of Xuxing Technology Corporation/ President of the Company	Note 2	None	None	None	None
President	Republic of China	Chen-Chien Chen	Male	2023.04.03	0	0	0	0	0	0	M.B.A., National Taiwan University /Executive Director, Senior Partner, and Chief Operating Officer of Audit Department, KPMG United Accounting Firm/ Director and CEO of KPMG Research Foundation (currently KPMG Education Foundation).	Note 3	None	None	None	None
Executive Vice President	Republic of China	Hau-Chun Shih	Male	2014.08.01	272,000	0.05%	0	0	0	0	Engineering Science Department of National Cheng Kung University/ Vice President of SIBOND Science and Technology Manufacturing Center/ Senior Vice President of Sunrise Global Solar Energy Co., Ltd.	None	None	None	None	None
Vice President of Marketing	Republic of China	Pei-Yi Chen	Female	2017.08.01	247,035	0.04%	1,000	0	0	0	Department of Geopolitics, National ChengChi University/ Director of Business of Sunrise Global Solar Energy Co., Ltd.	Note 4	None	None	None	None
Vice President of Corporate Development	Republic of China	Chung-Wei Lee	Male	2017.03.21	30,000	0.01%	0	0	0	0	Master of Business Administration, Meiji University, Japan/ Executive Vice President and President of Covalent Materials Taiwan/ Associate Manager of MITSUI & CO. (Taiwan), LTD.	Note 5	None	None	None	None
Assistant Vice President of Accounting and Finance	Republic of China	Hsiu-Ling Hsu	Female	2018.03.23	0	0	0	0	0	0	Enterprise Management Research Institute of Taipei University/ Director of PwC Taiwan/ Accounting Manager of Sunrise Global Solar Energy Co., Ltd./ Accounting Manager of Globalwafers Corporation	Note 6	None	None	None	None

Note 1: At present, she is also the Chairperson and CEO of GlobalWafers Co., Ltd., Representative of Institutional Director of Actron Technology Corporation, Chairperson of Crystalwise Technology Inc., Representative of Institutional Director of Advanced Wireless Semiconductor Company, Chairperson of Taiwan Specialty Chemicals Corporation, Representative of Institutional Director of SAS Sunrise Inc., Chairperson of Sunrise PV Three Co., Ltd., Chairperson of Sunrise PV Four Co., Ltd., Chairperson of SAS Capital Co., Ltd., Chairperson of GWC Capital Co., Ltd., Chairperson of Sustainable Energy Solution Co., Ltd., Director of GlobalSemiconductor Inc., Chairperson & CEO of GlobiTech Incorporated, Chairperson of GlobalWafers Japan Co., Ltd., Vice Chairperson of Kunshan Sino Silicon Technology Co., Ltd., Chairperson of Topsil GlobalWafers A/S, Director of GlobalWafers Singapore Pte., Ltd., Director of GlobalWafers B.V., Chairperson of MEMC Japan Limited, Director of MEMC Korea Company, and Chairperson of GlobalWafers America LLC., Director of Crystalwise Technology (HK) Limited

Note 2: At present, he is also the Representative of Institutional Director of GlobalWafers Co., Ltd., Chairperson and CEO of Actron Technology Corporation, Representative of Institutional Director of Advanced Wireless Semiconductor Company, Representative of Institutional Director of Taiwan Specialty Chemicals Corporation, Representative of Institutional Director of Sunrise PV Three Co., Ltd., Representative of Institutional Director of SAS Capital Co., Ltd., Representative of Institutional Director of GWC Capital Co., Ltd., Director of Yuanhong (Shangdong) Photoelectric Material Co., Ltd., Director of Shanghai Zhaoye Shenkai Electronic Materials Co., Ltd., Representative of Institutional Director of REC Technology Corporation, Representative of Institutional Director of Ding-Wei Technology Co., Ltd., Representative of Institutional Director of Mosel Vitelic Inc., Chairperson of Kunshan Sino Silicon Technology Co., Ltd., Director of GlobiTech Incorporated, Director of GlobalWafers Japan Co., Ltd., Director of GlobalWafers Singapore Pte. Ltd., and Director of GlobalWafers America LLC., Director of Yuan Hong Technical Materials Ltd.(YHTM)

Note 3: At present concurrently serving as Representative of Institutional Director of Advanced Wireless Semiconductor Company, Representative of Institutional Director of Sunrise PV Three Co., Ltd., Representative of Institutional Director of Sunrise PV Four Co., Ltd., Representative of Institutional Director of Sustainable Energy Solution Co., Ltd., Chairperson of Sustainable Hydropower Energy Co., Ltd., Representative of Institutional Director of BILLION ELECTRIC CO., LTD., and Director of MEMC Electronic Materials S.p.A.

Note 4: Currently serving as the Representative of Institutional Director of Sustainable Hydropower Energy Co., Ltd.

Note 5: At present, he is concurrently Vice President of Corporate Development of GlobalWafers Co., Ltd., Supervisor of GlobalWafers Japan Co., Ltd, and Supervisor of Japan Ltd.

Note 6: At present concurrently serving as Representative of Institutional Director of Taiwan Speciality Chemicals Corporation, Representative of Institutional Director of Sino Silicon Technology Inc., Supervisor of Sustainable Hydropower Energy Co., Ltd., Representative of Institutional Director of Crystalwise Technology Inc., Supervisor of Shanghai Sawyer Shenkai Technology Material Co., Ltd. (SSKT), Supervisor of Yuan Hong Technical Materials Ltd. (MHTM), and Supervisor of Yuan Hong Technical Materials Ltd.(YHTM)

Note 7: Where the Chairperson of the Board of Directors and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto:

Under the consideration of the operating scale and in order to improve overall operating efficiency, the chairperson of the Company is also the CEO. Other than the positions mentioned, the Company also has a position of the President, which is having different authorities. The CEO is more focused on the planning aspect (Responsible to develop the Company's business strategy, annual budget plan, important customer relationship maintenance, strategic alliance planning, investment layout planning and annual achievement tracking, etc.) and the President is responsible for the execution aspect of the Company's operation (Focus on coordination and supervision to achieve operational objectives, while implementing the Company's policies and the business strategy and related operational matters planned by the CEO), which complements on another. By having the Chairperson also working as the CEO, the board of directors can plan the Company's development blueprint much practical for operating and managing as well as to have more clarity to the operating status of the Company. More than half of the Board members of the Company are not being employees or managers at the same time, and the Board of Directors has four independent directors. The functional committee members are chaired by independent directors to make recommendations to the Board after full discussion of important issues, which strengthens the supervisory functions of the Board of Directors and implements corporate governance.

C. Compensation Paid to CEO, President and Vice Presidents

1. Remuneration Paid to Directors (Independent Directors included): 2023

December 31, 2023, Unit: NT$ thousands

<table>
<tr><th rowspan="4">Title</th><th rowspan="4">Name</th><th colspan="8">Remuneration of Directors</th><th colspan="2" rowspan="2">Ratio of total compensation (A+B+C+D) to net income</th><th colspan="8">Relevant Remuneration Received by Directors Who are Also Employees</th><th colspan="2" rowspan="2">Ratio of the Sum of Items A, B, C, D, E, F, and G to Net Income After Tax (%)</th><th rowspan="4">Compensation paid to directors from an invested company other than the company’s subsidiary or from the parent company</th></tr>
<tr><th colspan="2">Remuneration (A)</th><th colspan="2">Severance Pay (B)</th><th colspan="2">Director Remuneration (C) (Note 1)</th><th colspan="2">Business Execution Cost (D)</th><th colspan="2">Salary, Bonuses, and Allowances (E)</th><th colspan="2">Severance Pay (F)</th><th colspan="4">Employee remuneration (G) (Note 2)</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th colspan="2">The Company</th><th colspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th></tr>
<tr><th>Employee Bonus-in Cash</th><th>Stock</th><th>Employee Bonus-in Cash</th><th>Stock</th></tr>
<tr><td rowspan="7">General Directors</td><td>Hsiu-Lan Hsu</td><td rowspan="7">34,145</td><td rowspan="7">34,175</td><td rowspan="7">0</td><td rowspan="7">0</td><td rowspan="7">52,549</td><td rowspan="7">78,930</td><td rowspan="7">370</td><td rowspan="7">752</td><td rowspan="7">87,064
0.88%</td><td rowspan="7">113,857
1.16%</td><td rowspan="7">6,675</td><td rowspan="7">14,587</td><td rowspan="7">0</td><td rowspan="7">0</td><td rowspan="7">33,000</td><td rowspan="7">0</td><td rowspan="7">98,500</td><td rowspan="7">0</td><td rowspan="7">126,739
1.29%</td><td rowspan="7">226,944
2.31%</td><td rowspan="7">None</td></tr>
<tr><td>Tang-Liang Yao</td></tr>
<tr><td>Ming-Kuang Lu</td></tr>
<tr><td>Wen-Huei Tsai</td></tr>
<tr><td>Feng-Ming Chang</td></tr>
<tr><td>Kai Jiang Co., Ltd. Representative: Hau Fang</td></tr>
<tr><td>Kun Chang Investment Co., Ltd Representative: Edward Andrew Ow</td></tr>
<tr><td rowspan="4">Independent Directors</td><td>Jin-Tang Liu</td><td rowspan="4">2,555</td><td rowspan="4">2,735</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">2,451</td><td rowspan="4">2,451</td><td rowspan="4">185</td><td rowspan="4">195</td><td rowspan="4">5,191
0.05%</td><td rowspan="4">5,381
0.05%</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">5,191
0.05%</td><td rowspan="4">5,381
0.05%</td><td rowspan="4">None</td></tr>
<tr><td>Hou-Chung Kuo</td></tr>
<tr><td>Shao-Lun Li</td></tr>
<tr><td>Chien-Yong Ma</td></tr>
<tr><td colspan="23">1. Please specify the remuneration policies, standards, and packages, the procedure for determining remuneration for independent directors, and its linkage to operating performance and future risk exposure:
In addition to the monthly fixed remuneration for independent directors and the transportation subsidies for attending the Board of Directors, the Company may consider the degree of participation and contribution of independent directors to the Company’s operations, and take into account the results of the director’s performance appraisal, to decide the distribution of director’s remuneration to the independent directors from the director’s remuneration appropriated from the annual profit, if any. The aforesaid remuneration allocated to the independent directors, shall be deliberated and approved by the Remuneration Committee, and submitted to the Board of Directors for approval.
2. Except as disclosed in the preceding table, the remuneration received by the directors of the Company in recent years for the services provided to all companies in the financial statements (e.g. as non-employee consultant in parent/ all companies in the financial statements/ investees): None.</td></tr>
</table>

Note 1: As of the publication date of the annual report, the amount of remuneration to each director for 2023 has not yet been resolved by the Board of Directors, and the amounts in the table are only estimates.

Note 2: As of the publication date of the annual report, the amount of remuneration to employees for 2023 has not yet been resolved by the Board of Directors, and the amounts in the table are only estimates.

Range of Remuneration

Range of Remuneration Paid to Each Director of the Company	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Below NT$ 1,000,000	Independent Director: Chien-Yong Ma	Independent Director: Chien-Yong Ma	Independent Director: Chien-Yong Ma	Independent Director: Chien-Yong Ma
NT$ 1,000,000 ~ NT$ 1,999,999	Independent director: Jin-Tang Liu, Hou-Chung Kuo, Shao-Lun Li	Independent director: Jin-Tang Liu, Hou-Chung Kuo, Shao-Lun Li	Independent director: Jin-Tang Liu, Hou-Chung Kuo, Shao-Lun Li	Independent director: Jin-Tang Liu, Hou-Chung Kuo, Shao-Lun Li
NT$ 2,000,000 ~ NT$ 3,499,999 ,	-	-	-	-
NT$ 3,500,000 ~ NT$ 4,999,999	-	-	-	-
NT$ 5,000,000 ~ NT$ 9,999,999	General directors: Hsiu-Lan Hsu, Wen-Huei Tsai, Feng-Ming Chang, Kai Jiang Co., Ltd. Representative: Hau Fang, Kun Chang Investment Co., Ltd. Representative: Edward Andrew Ow	General directors: Wen-Huei Tsai, Feng-Ming Chang, Kai Jiang Co., Ltd Representative: Hau Fang, Kun Chang Investment Co., Ltd. Representative: Edward Andrew Ow	General directors: Wen-Huei Tsai, Feng-Ming Chang, Kai Jiang Co., Ltd Representative: Hau Fang, Kun Chang Investment Co., Ltd. Representative: Edward Andrew Ow	General directors: Wen-Huei Tsai, Feng-Ming Chang, Kai Jiang Co., Ltd Representative: Hau Fang, Kun Chang Investment Co., Ltd. Representative: Edward Andrew Ow
NT$ 10,000,000 ~ NT$ 14,999,999	-	-	-	-
NT$ 15,000,000 ~ NT$ 29,999,999	General directors: Tang-Liang Yao and Ming-Kuang Lu	General directors: Hsiu-Lan Hsu, Tang-Liang Yao, Ming-Kuang Lu	General directors: Hsiu-Lan Hsu, Ming-Kuang Lu	General directors: Ming-Kuang Lu
NT$ 30,000,000 ~ NT$ 49,999,999	-	-	General directors: Tang-Liang Yao	-
NT$ 50,000,000 ~ NT$ 99,999,999	-	-	-	General directors: Tang-Liang Yao
More than NT$ 100,000,000	-	-	-	General directors: Hsiu-Lan Hsu
Total	A total of 11 persons	A total of 11 persons	A total of 11 persons	A total of 11 persons

2. Remuneration of supervisors: The Company has changed its Audit Committee, so there is no remuneration of supervisors.
3. Remuneration of President and Vice President

December 31, 2023, Unit: NT$ thousands

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation paid to directors from an invested company other than the company's subsidiary or from the parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidate d financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
CEO	Hsiu-Lan Hsu	18,623	22,040	296	296	2,609	3,178	51,000	0	112,800	0	72,528 0.74%	138,314 1.41%	None
Vice CEO	Tang-Liang Yao													
President	Chen-Chien Chen													
Executive Vice President	Hau-Chun Shih													
Vice President	Chung-Wei Lee													
Vice President	Pei-Yi Chen													

Note: 1. The actual amount of Severance Pay paid in 2023: NT$0.

2. The amount of withdrawal or funding of Severance Pay: NT$ 296,000.

3. As of the publication date of the annual report, the amount of remuneration to employees of managerial officers for 2023 has not yet been resolved by the Board of Directors, and the amounts in the table are only estimates.

Range of Remuneration

Range of Remuneration of Presidents and Vice President of the Company	Name of Presidents and Vice President	
	The Company	Companies in the consolidated financial statements
Under NT$ 1,000,000	-	-
NT$ 1,000,000 ~ NT$ 1,999,999	-	-
NT$ 2,000,000 ~ NT$ 3,499,999	-	-
NT$ 3,500,000 ~ NT$ 4,999,999	Chung-Wei Lee	-
NT$ 5,000,000 ~NT$ 9,999,999	Hau-Chun Shih, Pei-Yi Chen	Chung-Wei Lee, Hau-Chun Shih, Pei-Yi Chen
NT$ 10,000,000 ~ NT$ 14,999,999	Chen-Chien Chen	Chen-Chien Chen
NT$ 15,000,000 ~ NT$ 29,999,999	Hsiu-Lan Hsu, Tang-Liang Yao	Tang-Liang Yao
NT$ 30,000,000 ~ NT$ 49,999,999	-	-
NT$ 50,000,000 ~ NT$ 99,999,999	-	Hsiu-Lan Hsu
More than NT$ 100,000,000	-	-
Total	6	6

4. Employee Profit Sharing Granted to Management Team

December 31, 2023, Unit: NT$ thousands

	Title	Name	Stock	Employee Bonus-in Cash	Total	Ratio of Total Amount to Net Income (%)
Manager	CEO	Hsiu-Lan Hsu	0	55,000	55,000	0.56%
	Vice CEO and President	Tang-Liang Yao				
	President	Chen-Chien Chen				
	Executive Vice President	Hau-Chun Shih				
	Vice President	Chung-Wei Lee				
	Vice President	Pei-Yi Chen				
	Accounting Department Chief	Hsiu-Lin Hsu				

Note: As of the publication date of the annual report, the amount of remuneration to employees of managerial officers for 2023 has not yet been resolved by the Board of Directors, and the amounts in the table are only estimates.

D. The proportions of total remuneration paid to Directors, Supervisors, Presidents and Vice President of the Company in net income after tax in the last two years are compared and explained. The policies, standards and combination of remuneration payment, the procedure of remuneration setting, the relationship between remuneration and operating performance, and the relationship between remuneration and future risks are explained.

1. Total Remuneration to Net Income

Title	The ratio of total remuneration of 2023 to net income after tax (%)		The ratio of total remuneration of 2022 to net income after tax (%)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director	0.94%	1.21%	0.94%	1.11%
President and Vice Preside	0.74%	1.41%	0.70%	1.34%

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance

a. The policies, standards, and portfolios for the payment of remuneration:
The Company's remuneration for Directors is handled in accordance with the Company's Articles of Incorporation and the allocation rules of Directors' remuneration, which can be divided into three categories: Directors' compensation, Directors' remuneration and operating expenses; and the remuneration for Presidents and Vice President of the Company can be divided into three categories: salary, bonus and car allotment, employee remuneration, which are authorized by the Board of Directors to be verified based on the relevant provisions of the Company's salary verification.

b. Procedures of Remuneration:
According to the Company’s Articles of Incorporation, if the Company is profitable during the year, it shall allocate 3–15% as employee remuneration in shares or cash upon the resolution of the Board of Directors. Employees of subsidiaries of the company meeting certain specific requirements shall be entitled to receive remuneration. The Company may allocate at most 3% of the aforementioned profit as directors’ remuneration upon the resolution of the Board of Directors. The distribution proposal of remuneration of employees and Directors should be submitted and reported to the shareholders’ meeting. If it has accumulative losses, the Company should reserve and make up the amount before distributing remuneration to the employees and Directors according to the percentage mentioned in the preceding paragraph. In addition, in the business execution cost, only the traffic allowance for each Directors’ meeting is distributed. The procedures for determining Directors' remuneration should be based on the performance evaluation

method of the Board of Directors of the Company, the participation in and contribution to the Company's operation should be considered, and reasonable remuneration should be given. The part of remuneration received by the President and Vice President of the Company is based on the operating performance quota of the annual budget approved by the Board of Directors each year. The payment method is based on “Measures for the Administration of Wages and Remuneration of the Company's Managers” and “Measures for Employee Remuneration Distribution.”

The Company established Remuneration Committee at the end of 2011, which periodically examines performance of Directors and managers, as well as remuneration policy, system, standard and structure. Report if above-mentioned will be discussed in the Board of Directors.

c. Connection between operation performance and future risk:

Performance evaluation and remuneration of Directors and managers are measured based on market average, operating results, degree of participation (including the attendance rate, the frequency of communication, the suggestions provided, etc.) and contribution to the Company’s performance (including financial indicators such as revenue and profit achievement rate, and non-financial indicators such as law and internal control compliance, or special achievements, etc.), and comprehensively consider the monetary amount, distribution method and future risk of the Company. It has a positive correlation with the performance and responsibility of the Company's business.

In terms of non-financial indicators, to fulfill the Company's commitment to sustainable development, non-financial performance aspects such as ESG (environmental, social and governance) have also been included in the performance evaluation of the Company's senior managerial officers (senior managerial officers include president, vice president, plant chiefs etc.). The ESG performance indicators and weights are determined individually based on their duties, including domestic and international ESG evaluations, climate change mitigation and the adaption actions (e.g. GHG reduction, achievement rate of energy-saving and carbon reduction, the percentage of renewable energy use, etc.), and the promotion of occupational health and safety, among other things, and the achievements of ESG performance indicators are included in the calculation to determine remunerations.

III. Implementation of Corporate Governance

A. Operations of the Board of Directors

The Board of Directors was held for 11 sessions in 2023. The Attendance of Directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Note
Chairperson	Hsiu-Lan Hsu	11	0	100%	Reappointed on June 21, 2023
Vice Chairperson	Tang-Liang Yao	11	0	100%	Reappointed on June 21, 2023
Director	Ming-Kuang Lu	10	1	91%	Reappointed on June 21, 2023
Director	Wen-Huei Tsai	11	0	100%	Reappointed on June 21, 2023
Director	Feng-Ming Chang	11	0	100%	Reappointed on June 21, 2023
Director	Kai Jiang Co., Ltd. Representative: Hau Fang	11	0	100%	Reappointed on June 21, 2023
Director	Kun Chang Investment Co., Ltd. Representative: Edward Andrew Ow	9	2	82%	Reappointed on June 21, 2023
Independent Director	Jin-Tang Liu	10	1	91%	Reappointed on June 21, 2023
Independent Director	Hou-Chung Kuo	10	1	91%	Reappointed on June 21, 2023
Independent Director	Shao-Lun Li	11	0	100%	Reappointed on June 21, 2023
Independent Director	Chien-Yong Ma	6	0	100%	Elected on June 21, 2023

Other mentionable items

I. If there are any of below circumstances, the dates of meetings, sessions, contents of motions, all Independent Directors' opinion and the Company's response to Independent Directors' opinion should be specified:

A. Matters listed in Article 14-3 of the Securities and Exchange Act:
Not applicable. The Company has set up an Audit Committee, which is governed by Article 14-5 of the Securities and Exchange Act.

B. Despite issues previously mentioned, other resolutions of the Directors' meetings objected by Independent Directors or subject to qualified opinion and recorded or declared in writing: No such matter has occurred in the Company.

II. If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance and voting should be specified:

A. On March 16, 2023, the Board of Directors discussed about the extension of private placement of unsecured common corporate bonds of Crystalwise Technology Corporation. As Chairperson Hsiu-Lan Hsu and Vice Chairperson Tang-Liang Yao are the directors of Crystalwise Technology Inc. and thus the stakeholder in this proposal, they recused themselves as required by law and did not participate in the discussion and voting.

B. On May 2, 2023, the Board of Directors discussed the proposal of share conversion between GlobalWafers Co., Ltd. and Crystalwise Technology Inc. As Chairperson Hsiu-Lan Hsu, Directors Tang-Liang Yao and Ming-Kuang Lu are key persons either in GlobalWafers or Crystalwise Technology, and thus the stakeholder in this proposal, they recused themselves as required by law and did not participate in the discussion and voting.

C. On May 5, 2023, the Board of Directors discussed about the issuing Letter of Support for Crystalwise Technology Corporation. As Chairperson Hsiu-Lan Hsu and Vice Chairperson Tang-Liang Yao are the director and chairperson of Crystalwise Technology Inc. and thus the stakeholder in this proposal, they recused themselves as required by laws, and did not participate in the discussion and voting.

D. On May 5, 2023, the Board of Directors discussed about the 2022 distribution of remuneration to managerial officers. As Chairperson Hsiu-Lan Hsu and Vice Chairperson Tang-Liang Yao are subject to the remunerations, and thus the stakeholder in this proposal, they recused themselves and did not participate in the discussion and voting.

E. On June 21, 2023, the Board of Directors appointed the members of the 5th Remuneration Committee. In this proposal, the independent directors Mr. Liu, Jin-Tang, Mr. Hao-Chung Kuo, Mr. Shao-Lun Li, and Mr. Chien-Yong Ma recused themselves as they were candidates of such membership, so they shall recuse themselves from participating in the discussion and voting.

F. On June 21, 2023, the Board of Directors appointed the members of the 2nd Nomination Committee. In this proposal, the Directors Ms. Hsiu-Lan Hsu and Mr. Tang-Liang Yao, as well as independent directors Mr. Liu, Jin-Tang, Mr. Hao-Chung Kuo, Mr. Shao-Lun Li, and Mr. Chien-Yong Ma recused themselves as they were candidates of such membership, so they shall recuse themselves from participating in the discussion and voting.

G. On August 4, 2023 and September 21, 2023, the Board of Directors discussed about the subscription of new shares for cash capital increase by Actron Technology Corporation, as Chairperson Hsiu-Lan Hsu, Vice Chairperson Tang-Liang Yao, Director Ming-Kuang Lu and Director Hau Fang are directors of Actron Technology Co., Ltd., they recused themselves as required by laws, and did not participate in the discussion and voting.

III. Implementation of the evaluations of the Board of Directors and functional committees:

Assessing Cycle	Assessing Period	Assessing Scope	Assessing Method	Content of the Assessment
Once A Year	January 1 to December 31, 2023	• Board of Directors • Individual Members of the Board of Directors • Functional Committee • (Including the Audit Committee, the Remuneration Committee, and the Nomination Committee)	• Self-assessment from the Board of Directors • Self-assessment from Individual Members of the Board of Directors • Self-assessment from the Functional Committee	Self-assessment from the Board of Directors: 1. Level of involvement in the Company's operations. 2. Promoted the quality of the resolution from the Board of Directors. 3. The composition and structure of the Board of Directors. 4. The election and advanced studies of Directors. 5. Internal control. Self-assessment from Individual Members of the Board of Directors: 1. Mastering the company's goals and tasks. 2. The cognition to the responsibility of a Director 3. Level of involvement in the Company's operations. 4. Internal relationship management and communication. 5. Director’s personal business and advanced studies. 6. Internal control. Self-assessment from the Functional Committee: 1. Level of involvement in the Company's operations. 2. The cognition to the responsibility of Functional Committee. 3. Promoted the quality of the resolution from the Functional Committee. 4. The composition and structure of the Functional Committee. 5. Internal control.

IV. Functional objectives (e.g. setting up Audit Committee, improving information transparency, etc.) and implementation evaluation:

Strengthen functional objectives of the Board of Directors	Implementation evaluation
Establish Independent Directors	Strengthen the independence and objective functions of Directors and supervise the operation of the Board of Directors.

Establish the Remuneration Committee	Assist the Board of Directors in implementing and evaluating the Company's overall compensation and benefits system, and regularly review the appropriateness of remuneration for Directors, Supervisors and managers.
Establish the Audit Committee	Exercise the functions and powers stipulated in the Securities and Exchange Law, Company Law and other relevant laws.
Establish the Nomination Committee	Improve the nomination system of the Company's Directors and senior managers.
Continuously improve the information transparency	The Company appointed a special person to be responsible for the disclosure of Company information and updating information on the Company website.
Actively make communication with stakeholders	The Company has spokespersons and acting spokespersons, and stakeholders can use them as channels of communication. Every year, the shareholder's meeting accepts the shareholders' proposals according to the schedule. The shareholders who have the right to submit proposals can apply to the Company during the period of acceptance. The Company will convene the meeting of Board of Directors to examine the proposals in accordance with the relevant provisions.
Improve the operational efficiency and decision-making ability of the Board of Directors	The Company has formulated "the Meeting Standards of Board of Directors" to strengthen the implementation of the functions of the Board of Directors, and promote the healthy development of the Board of Directors' participation in decision-making.
Strengthen professional knowledge	The Directors and Supervisors of the Company should study for a number of hours per year as prescribed by the competent authority, the relevant members of the Board of Directors should be encouraged to participate in various professional courses, and the relevant decrees should be promulgated at the meeting of the Board of Directors to comply with the provisions of the decree.
Appoint Corporate Governance Officer	In order to implement corporate governance and enhance the effectiveness of the Board of Directors, on May 9, 2019, the Board of Directors set the position of Corporate Governance Supervisor to provide Directors with relevant information to perform their duties and other necessary assistance.

B. The Operation of the Audit Committee:

A total of 9 Audit Committee meetings were held in 2023. The attendance of the Independent Directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Note
Independent Director	Jin-Tang Liu	9	0	100%	Reappointed on June 21, 2023
Independent Director	Hou-Chung Kuo	8	1	89%	Reappointed on June 21, 2023
Independent Director	Shao-Lun Li	9	0	100%	Reappointed on June 21, 2023
Independent Director	Chien-Yong Ma	5	0	100%	Elected on June 21, 2023

For the professional qualifications and experience of members of the Audit Committee, please refer to the relevant content of this annual report "III. Corporate Governance Report / II. Directors' Information / 4. Directors' Professional Qualifications and Information Disclosure of Independent Directors' Independence".

Formation and operations of Audit Committee:
The Company's Audit Committee consists of three independent directors, and operates primarily in order to supervise the following matters:

I. The fair expression of the Company's financial statements
II. Selection (dismissal) of certification accountants and their capability, credentials, independence and performance.
III. Effective implementation of the Company's internal control
IV. Company compliance with laws and regulations.
V. Control and management of the company's potential or existing risks.

Other mentionable items

I. Where the operation of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, independent directors' dissent, qualified opinion, or material recommendations, resolution of the Audit Committee and the Company's handling of said resolution.
   A. Items specified in Article 14-5 of the Securities and Exchange Act:
      The motions of 2023 were approved by all the members present in the Audit Committee and all the directors present in the Board of Directors. The operation of the Audit Committee in 2023 was as follows.

Audit Committee Session/Date	Content of motion	Matters listed in Article 14-5 of Securities and Exchange Law	Resolution results of the Audit Committee and the Company's Treatment of the Audit Committee's Opinions
2023.03.14, 1st meeting of the 3rd Term	The Company intended to participate in the subscription of private placement of common shares of BILLION ELECTRIC CO., LTD.	V	Adopted with the consent of all the members present in the Audit Committee
2023.03.16, 2nd meeting of the 3rd Term	Internal audit business report	V	Adopted with the consent of all the members present in the Audit Committee
	Extension of private placement of unsecured common corporate bonds of Crystalwise Technology Corporation.	V	
	The Company's Business Report and Financial Statements of 2022	V	
	Assessment of the independence and suitability of CPAs and renewal of appointment	V	
	Declaration of Internal Control System of 2022.	V	
	The amendments to the "Operational Procedures for Loaning of Funds to Others"	V	
	The amendments to the "Procedures for Providing Endorsement/Guarantee"	V	
	To meet the Company's capital needs, it is intended to conduct public or private placements of securities	V	
	Proposal of loaning of funds to subsidiaries	V	
	The Company and the subsidiaries' overdue receivable were all actual transactions, so such receivables need not to transfer to loaning of funds to others.	V	
2023.05.02, 3rd meeting of the 3rd Term	Intended to approve the share conversion between GlobalWafers Co., Ltd. and Crystalwise Technology Inc.	V	Adopted with the consent of all the members present in the Audit Committee

2023.05.05, 4th meeting of the 3rd Term	Internal audit business report	V	Adopted with the consent of all the members present in the Audit Committee
	The Company's Q1 2023 consolidated financial statements	V	
	The 2022 earning distribution table and the proposal of the earning distribution for the latter half of 2022.	V	
	Proposal to amend the Company's "Internal Control System"	V	
	Serving as Guarantor for loans of subsidiaries from financial institutions	V	
	Proposal of loaning of funds to subsidiaries	V	
	Proposal to issue the Letter of Support.	V	
	The overdue payment for more than three months of the Company and its subsidiaries are actual transactions, and thus not required to transferred to as loaning of funds to subsidiaries.	V	
112.08.04, 1st meeting of the 4th Term	Internal audit business report	V	Adopted with the consent of all the members present in the Audit Committee
	Report on the Company's annual risk management implementation for the year	V	
	Proposal for the Company's consolidated financial statements of Q2 2023.	V	
	Proposal of loaning of funds to subsidiaries	V	
	The Company and the subsidiaries' overdue receivable were all actual transactions, so such receivables need not to transfer to loaning of funds to others.	V	
	Proposal of the attestation fees to CPAs for 2023 and 2024	V	
	Proposal of subscribe the new shares for cash capital increase of Actron Technology Corporation	V	
2023.09.21, 2nd meeting of the 4th Term	Proposal of subscribe the new shares for cash capital increase of Actron Technology Corporation	V	Adopted with the consent of all the members present in the Audit Committee
2023.11.10, 3rd meeting of the 4th Term	Internal audit business report	V	Adopted with the consent of all the members present in the Audit Committee
	Proposal for the Company's consolidated financial statements of Q3 2023.	V	
	2024 internal audit plans	V	
	Proposal to amend the Company's "Internal Control System"	V	
	The Company and the subsidiaries' overdue receivable were all actual transactions, so such receivables need not to transfer to loaning of funds to others.	V	
	For the proposal to provide endorsement/guarantee for the bank loans of a subsidiary, as the net worth of the subsidiary for Q3 2023 fell under a half of its paid-in capital, the follow-up control measures are formulated pursuant to the Company's Regulations Governing Endorsement/Guarantee	V	
2023.12.15, 4th meeting of the 4th Term	The Company's earnings allocation for the first half of 2023	V	Adopted with the consent of all the members present in the Audit Committee
	Proposal to amend the Company's "General Principles on Pre-Approval Policy for Non-Assurance Services"	V	
2023.12.26, 5th meeting of the 4th Term	Proposal of loaning of funds to subsidiaries	V	Adopted with the consent of all the members present in the Audit Committee

B. Other resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors: No such situation.

II. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: No such matter has occurred in the Company.

III. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.).

A. Other than regularly participating the meetings of the Audit Committee to report the execution the internal audits, the internal audit officer communicates and discusses with the independent directors in person, via phone or emails; every year at least one communication meeting is held with the Audit Committee without the general directors and management.

B. Other than communicating with the independent directors via the communication meetings with independent directors only, the CPAs also participate the quarterly meetings of the Audit Committee and the board of directors, to communicate with the independent directors regarding the audit or review results of financial statements, advices to the internal controls, and other matters required to be communicated by related laws and regulations.

The summary of the communication between independent directors and internal auditing officers in 2023

Date	Focus of communication	Recommendations and results
2023/03/16 Audit Committee	Chief internal auditor made the Internal Audit Business Report Issued a declaration on the internal control system.	No opinion
2023/05/05 Audit Committee	Chief internal auditor made the Internal Audit Business Report Proposal to amend the Company's "Internal Control System"	No opinion

2023/08/04 Audit Committee	Chief internal auditor made the Internal Audit Business Report	No opinion
2023/11/10 Audit Committee	Chief internal auditor made the Internal Audit Business Report Internal audit plan Proposal to amend the Company's "Internal Control System"	No opinion
2023/12/15 Communication meetings between independent directors and audit officers	1. Personnel under the audit organization and introduction thereof 2. Scope of auditing and arrangements pertaining to auditor training 3. Implementation status of the 2023 audit plan, and the 2024 audit plan 4. The self-evaluation plan of internal control for 2023 5. Progress and follow-up of independent directors' issues of concern 6. The cooperation of relevant personnel and support of executive management during internal audits	No opinion

The summary of the communication between independent directors and CPAs in 2023

Date	Focus of communication	Recommendations and results
2023/03/16 Audit Committee	CPAs explained the audit of 2022 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree.	No opinion
2023/05/05 Audit Committee	CPAs explained the audit of Q1 2023 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree.	No opinion
2023/08/04 Audit Committee	CPAs explained the audit of Q2 2023 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree.	No opinion
2023/11/10 Audit Committee	CPAs explained the audit of Q3 2023 financial statements and its results, and discussed about the application of some accounting principles and the impact of the newly revised decree. Annual audit planning: scope and key points	No opinion

IV. Summarization of the annual major tasks of Audit Committee

The Audit Committee held a total of seven meetings in 2023 to review the following motions:

A. The fair expression of the Company's financial statements

Review on the 2022 financial statements, and Q1 to Q3 financial statements of 2023.

B. Selection (dismissal) of CPAs and their competence, independence, performance and professional fees

Review the suitability, independence and performance of CPAs;
Review the service fees of CPAs.

C. Effective implementation of the Company's internal control

Review of internal audit report, 2022 Statement of Internal Control System, and revision of internal control system

D. Major assets, derivatives, capital loans and endorsements or guaranteed transactions:

Reviewed the proposals of endorsements/guarantees, loaning of funds, and reinvestment related matters

E. Review and amend various regulations and procedures:

Review and amendment of internal audit system and internal control system, among other rules and regulations, amendment to the Company's "Operational Procedures for Loaning of Funds to Others," "Procedures for Providing Endorsement/Guarantee," and the “General Principles on Pre-Approval Policy for Non-Assurance Services”

C. Corporate Governance Implementation Status, Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
I. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has established the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies. The information has been disclosed on the Company's website and Corporate Governance Area of MOPS (http://mops.twse.com.tw/).	No significant difference
II. Shareholding structure & shareholders' rights (I) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(I) The Company has a spokesperson, stock affairs supervisor, and associated person assigned to effectively handle shareholder's suggestions or disputes. Legal issues, if any, will be handled with the assistance of legal affairs personnel and a professional lawyer.	No significant difference
(II) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(II) The Company keeps abreast of the shareholding status of directors, managerial officers, and major shareholders holding more than 5% shareholding. The Company discloses relevant information on the Market Observation Post System (MPOS) each month.	No significant difference
(III) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(III) The Company's internal control covers the corporate risk management activities and operating activities. The Company establishes the "Regulations Governing Supervision on Subsidiaries" to fulfill the risk control mechanism against subsidiaries. The Company also establishes "Regulations Governing Management of Investment", "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises", and "Operating Procedure for Transactions of Group Members and Specific Companies with Related Parties" to stipulate rules for transactions with affiliated enterprises, including purchases/sales, acquisition or disposition of assets, endorsements/guarantees, and lending of funds.	No significant difference
(IV) Does the company establish internal rules against insiders trading with undisclosed information?	V		(IV) The Company establishes the "Operating Procedure for Prevention of Insider Trading" to prohibit insiders from trading securities based on non-public information.	No significant difference
II. Formation and responsibilities of Board of Directors (I) Has the board of director formulated the diversity policy, concrete management targets, and implemented fully?	V		(I) The Company's "Corporate Governance Best-Practice Principles" has expressly defined the formation of the Board members and ability to be held by the members. The Company has also established the diversified policy for the Board members. For the education and experience, professional quality, independence, and diversity of each director, please refer to "Three. Corporate Governance Report/II. Information of Directors" in the annual report. The information above is also disclosed in the Company's website.	No significant difference
(II) Whether the Company, in addition to establishing the Remuneration Committee and Audit Committee, pursuant to	V		(II) The Commission for Sustainable Development of Enterprises was established in 2016 (Renamed as the ESG Committee in 2022): It is composed of management teams and reports the implementation status	No significant difference

Evaluation Item	Implementation Status				Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No		Abstract Explanation	
laws, is willing to establish any other functional committees voluntarily?				and results to the Board of Directors every year. The Company established the Nomination Committee in 2020, to assist in the search, review, and nomination of candidates for directors and senior managerial officers, construct and develop the organizational structure of the Board of Directors and various committees, conduct performance evaluations of the Board of Directors, committees, and directors, evaluate the independence of independent directors, establish and review of directors' continuing education as well as succession planning for senior managerial officers.	
(III) Whether the Company has defined the regulations governing appraisal on performance of the Board of Directors and the approach to conduct the appraisal, whether it conducts the performance appraisal periodically each year, submit the results to BoD and apply as reference for remuneration evaluation of each director and nomination for term renewal?	V		(III)	The Company has established the "Regulations Governing the Performance Evaluation of the Board of Directors and Functional Committees" upon the approval of the Board of Directors. The performance evaluation of the Board of Directors and functional committees (including the Remuneration Committee, the Audit Committee and the Nomination Committee) are conducted at least once a year, and the evaluation results are submitted to the Board of Directors. Regarding the evaluation procedures, the President's Office is responsible for executing and coordinating at the end of each year. Internal questionnaires are adopted, to conduct the evaluation through internal self-evaluation, self-evaluations of board member and functional committee members. The evaluation scope includes the overall board, individual board member, and functional committee's performance evaluation. The performance evaluation standards of the Board of Directors and the functional committees of the Company mainly include participation in the operation of the Company, improvement of the decision-making quality of the Board of Directors and functional committees, composition and structure of the Board of Directors and functional committees, selection and continuing education of the Board of Directors and functional members, internal control, etc. The evaluation results are submitted to the Board of Directors for reference for individual director's remuneration and when selecting or nominating directors. The Company has completed the performance evaluation for 2023, and all aspects of the evaluation results have reached the indicators, indicating that the overall operation of the board of directors and committees is in perfect condition. The performance evaluation results were reported to the Board of Directors and disclosed on the Company's website on February 29, 2024.	No significant difference
(IV) Whether the Company assesses the independence of the external auditor periodically?	V		(IV)	The Company has established "Regulations Governing Appraisal on Independence and Performance of CPAs" to conduct yearly evaluation on CPAs' independence, competence, and performance. In addition to obtaining Declaration of Independence from the CPA each year, the	No significant difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			Company will incorporate Audit Quality Indicators (AQIs) into such evaluation and submit the evaluation report to the Audit Committee and Board of Directors for approval. The Company has completed the 2023 appraisal on the independence and competency of CPAs. The appraisal report has been presented to the Audit Committee and the Board of Directors on February 29, 2024 for review and approval. There are 15 indicators of CPA independence, including: a CPA has not served as directors, managers or positions that have significant influence on audit works; the CPA has no direct or significant indirect financial interest relationship with the Company; the CPA has no close business relationship and potential client and commission relationship with the Company; the CPA does not advertise or mediate stocks or other securities issued by the Company. The competence and performance indicators include service quality, professionalism, and timeliness. There are 13 AQIs covering five scopes of professionalism, quality control, independence, monitoring, and creativity. Examples of AQIs include audit experience and training hours, engagement quality control review (EQCR), non-audit service (NAS), external inspection results & enforcement, and innovative planning or initiatives.	
IV. Where the Company is a TWSE/TPEX listed company, has the Company designated a department or personnel that specializes (or is involved) in corporate governance affairs (including but not limited to, providing directors/supervisors with the information needed to perform their duties, convention of board meetings and shareholders' meetings under laws, company registration and registration of changes, preparation of board meeting and shareholders' meeting minutes, etc)?	V		In order to implement corporate governance and strengthen the function of director, the Company has appointed a dedicated corporate governance officer, who has more than three years of experience in the management of finance, shareholder service, and meeting agenda in public companies. The corporate governance officer and the staff of the President's Office are responsible for corporate governance-related affairs and act as the secretary of the Board of Directors. The main responsibilities of the corporate governance officer include providing directors with the information needed to conduct their business, assisting directors in complying with laws and regulations, assisting directors in taking office and the continuing education, handling matters related to the Board, committee and shareholders' meetings, and preparing meeting minutes. The implementation of corporate governance in 2023 was as follows: 1. Formulated and planned relevant measures for corporate governance, and implemented laws and regulations. 2. Provided the information needed by directors to carry out their business and assisted directors in complying with the decrees. 3. Planned the meeting of Board of Directors, notified all directors at least 7 days before the meeting, provided sufficient information for the meeting, and sent the minutes of the meeting of Board of Directors within 20 days after the meeting.	No significant difference

Evaluation Item	Implementation Status Yes	 No	 Abstract Explanation	Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			4. Registered the date of the shareholders' meeting in advance according to law, prepared the notice of meeting, meeting handbook and meeting records within the legal time limit, and changed the registration after amending of the articles of association or re-election of directors. 5. Provided directors' refresher courses and purchased liability insurance for directors and key employees. 6. Report to the Board of Directors on whether the qualification of independent directors complies with relevant laws and regulations at the time of nomination, election, and during the term of office. Corporate Governance Officer shall complete at least twelve hours of continuing education courses per year. Please refer to (IX) Continuing Education of Corporate Governance Officer for details on the implementation status of continuing education.	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		(I) The Company has spokespersons, stock managers and business undertakers, establishes smooth communication channels, and respects and safeguards the legal rights and interests of all stakeholders. (II) The Company has a corporate responsibility area and a stakeholder area on its website. It also has established contact telephone and e-mail boxes for business personnel, investors, suppliers and employees' welfare. All stakeholders can communicate with each other by telephone or e-mail when necessary. In addition, in the social responsibility area of enterprise, the Company discloses information about stakeholders' concerns, communication channels and so on. Every year, the Board of Directors reports on the promotion and implementation of social responsibility of enterprise and the communication with stakeholders.	No significant difference
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designates the professional Yuanta Securities Co., Ltd. to deal with shareholder affairs.	No significant difference
VII. Information Disclosure				
(I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(I) The Company has set up a website to disclose information regarding the Company's financials, business and corporate governance status.	No significant difference
(II) Has the company established other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, appointing spokespersons, or webcasting investor conferences on the company website)?	V		(II) The Company has set up an English website and assigned an appropriate person to handle information collection and disclosure, as well as webcasting investor conferences (http:// www.saswafer.com), to fully disclose company information and implement the spokesperson system in accordance with the regulations.	No significant difference
(III) Whether the Company announces and declare the annual financial statements within two months after the end of the fiscal year, and announce and declare the first, second, and third		V	(III) In order to improve the transparency and timeliness of the Company's information disclosure, starting from the financial statements for 2023, the Company has announced the annual financial report within two months upon the end of the fiscal year, and announced and reported the financial reports	All consistent other than the annual financial statements.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
quarter financial statements and the monthly revenue ahead of the prescribed period?			for the first, second, and third quarters and monthly operation status well in advance.	
VIII. Does the Company have other information that contributes to better understanding of its corporate governance standing (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, training completed by directors and supervisors, implementation of risk management policies and risk evaluation criteria, implementation of customer policies, liability insurance policies purchased for directors and supervisors)?	V		(1) Status of employee rights: The Company has always treated its employees in good faith, focused on rational and human-based management, established smooth communication channels, maintained good relations between employer and employees, and safeguarded the legal rights and interests of employees in accordance with the Labor Standard Act and the Company's personnel regulations. (2) Status of employee wellness: The Company establishes a good relationship of mutual trust with employees through its welfare system and education and training system, such as establishing the Staff Welfare Committee, and providing staff travel, employee insurance, various subsidies and benefits and free annual regular health examination, etc. (3) Investor relations: The Company fully discloses information through MOPS and its website, enables investors to fully understand the Company's operating conditions, and communicates with investors through shareholders' meetings and spokespersons. (4) Supplier relations: The Company has formulated "Measures for Supplier Survey, Appraisal and Evaluation" to carefully define suppliers' quality, service level, green products, environmental safety risks, ethics and social responsibility, and select qualified suppliers. The Company deals with suppliers in accordance with its "Ethical Corporate Management Best-Practice Principles", maintains a good interactive relationship, and audits regularly to ensure supplier quality. (5) Rights of stakeholders: The Company has contact telephone and e-mail boxes for spokespersons and acting spokespersons, business personnel, investment relations, supplier relations and employee welfare relations, and can communicate directly with stakeholders. It has set up a company website (http:// www.saswafer.com) to disclose its information about finance, business, corporate governance and stock agency. (6) Directors' continuing education: 1. See (IX) Status of Directors' Training. 2. Disclosed in the Corporate Governance Area of MOPS (http://mops.twse.com.tw). (7) Implementation of risk management policies and risk measurement standards: The Company has formulated "Risk Management Policies" and "Measures for Risk Management" in accordance with the law for various risk management and evaluation. Please refer to this year's report, review analysis of financial situation and operating results and risk management.	No significant difference

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>(8) Implementation of customer policies: The Company always keeps close contact with customers and maintains stable and good relations to ensure the expected reliability and quality of products and create company profits.
(9) Purchased liability insurance for directors: The Company has purchased liability insurance for directors to strengthen the protection of shareholders' rights and interests. It is also disclosed in the Corporate Governance Area of MOPS (http://mops.twse.com.tw).</td><td></td></tr>
<tr><td colspan="5">IX. Please state the improvement according to the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Co., Ltd. in recent years, and put forward priority items to be improved and measures for those which have not yet been improved.
Results of the first to the 10th “Corporate Governance Evaluation” of the Company ranked among the top 5% of TPEx Listed Companies. The Company continues to review and enhance the corporate governance. Here are some improvements and possible improvements of this year.
(I) Improvements
1. In the re-election held in the 2023 shareholders' meeting, one more independent director was added. The independent directors are accounted for more than 1/3 of the board seats.
2. To strengthen the corporate governance, the position of corporate governance officer was changed to a dedicated position.
3. The financial reports are announced within 2 months after the end of the fiscal year, and the financial reports in English are announced on a quarterly basis.
(II) Possible improvements in the future
1. Plan to increase the seats of female directors.</td></tr>
</table>

D. Operations of the Remuneration Committee:

1. Information of Remuneration Committee Members

April 30, 2024

Identity	Name (Conditions)	Professional qualification and experience	Independence status	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director (Convener)	Jin-Tang Liu	Please refer to the contents of "III. Corporate Governance Report / II. Directors' Information / 4. Directors' Professional Qualifications and Information Disclosure of Independent Directors' Independence".	Please refer to the contents of "III. Corporate Governance Report / II. Directors' Information / 4. Directors' Professional Qualifications and Information Disclosure of Independent Directors' Independence".	2
Independent Director	Hou-Chung Kuo			0
Independent Director	Shao-Lun Li			0
Independent Director	Chien-Yong Ma			2

2. Duties of Remuneration Committee:
The Committee shall perform the following duties loyally with due diligence as a good administrator, and submit its suggestions to the Board of Directors for discussion.
   a. Periodically review the performance appraisal on the Company's directors and managers, and remuneration policy, system, standard and structure.
   b. Periodically evaluate and review the contents and amount of the Company's remuneration to directors and managerial officers.

3. Operations of the Remuneration Committee
   a. The Company's Remuneration Committee consists of 4 members and all Independent Directors.
   b. Term of office of the current members: from June 21, 2023 to June 20, 2026.
   In the most recent year (2023), the Remuneration Committee held meetings for 3 times (A). Membership and attendance were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Note
Convener	Jin-Tang Liu	3	0	100%	Reappointed on June 21, 2023
Member	Hou-Chung Kuo	2	1	67%	Reappointed on June 21, 2023
Member	Shao-Lun Li	3	0	100%	Reappointed on June 21, 2023
Member	Chien-Yong Ma	1	0	100%	Elected on June 21, 2023

Other mentionable items

I. If the board of directors declines to adopt or modifies a recommendation of the Remuneration Committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.

II. Resolutions of the Remuneration Committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: No such situation.

III. The operation of the Remuneration Committee was as follows:

Compensation Committee Session/Date	Content of motion	Resolution results	The Company's response to the Remuneration Committee's opinion
4th term 1st meeting, 2023 2023.03.16	Employee Remuneration and Director Remuneration Distribution Plan of the Company of 2022.	Agreed and approved by all the members present	Submitted to the Board meeting and passed upon approval of the whole present directors unanimously.
	Remuneration for the new President of the Company		
5th term 1st meeting, 2023 2023.05.05	Allocation of Directors' Remuneration of the Company of 2022.	Agreed and approved by all the members present	
	The Company's Allocation of Managerial Officers' Remuneration of 2022.		
5th term 2nd meeting, 2023 2023.11.10	Proposal for employees' promotion	Agreed and approved by all the members present	

E. Information of members, and operation of the Nomination Committee

1. Specify the qualification, criteria, and duties of the Nomination Committee members

Qualifications and criteria of the Nomination Committee members:
The Nomination Committee consists of at least three directors elected by the board of directors, and the majority of members shall be independent directors; one convener and chair are elected by members among themselves.

Function of Nomination Committee:
The Committee shall perform the following duties loyally with due diligence as a good administrator, and submit its suggestions to the Board of Directors for discussion:

a. Find, review and nominate candidates for directors and senior managers based on the professional knowledge, skills, experience, gender and other diversified backgrounds and independence needs of the Company's Board members and senior managers.
b. Construct and develop the organizational structure of the Board of Directors and committees, conduct performance appraisals of the Board of Directors, committees, and directors, and assess the independence of independent directors.
c. Formulate and review directors' continuing education plans and succession plans for directors and senior managers.
d. Other matters resolved by the Board of Directors to be handled by the committee.

2. The professional and experience of members, and operation of the Nomination Committee:

a. There are six members in the Nomination Committee, and three of them are independent directors; the convener is Director, Hsiu-Lan Hsu; she has the expertise of operation and management, M&A, and corporate governance, meeting the professional ability required by the Committee.
b. Term of office of the current members: From June 21, 2023 to June 20, 2026. In the most recent year (2023), the Remuneration Committee convened one meeting (A); the professional qualifications and experience of independent directors, attendance, and matters discussed during the meeting are as follows:

Title	Name	Professional qualification and experience	Attendance in Person (B)	By Proxy	Actual attendance rate (B/A)	Note
Convener	Hsiu-Lan Hsu	Please refer to the contents of "III. Corporate Governance Report / II. Directors' Information / 4. Directors' Professional Qualifications and Information Disclosure of Independent Directors' Independence".	1	0	100%	Reappointed on June 21, 2023
Member	Tang-Liang Yao		1	0	100%	
Member	Jin-Tang Liu		1	0	100%	
Member	Hou-Chung Kuo		1	0	100%	
Member	Shao-Lun Li		1	0	100%	
Member	Chien-Yong Ma		-	-	-	Elected on June 21, 2023

Other mentionable items
Specify the meeting date, session, proposal description, advice or dissent by the Nomination Committee member, the resolution of the Nomination Committee, and the Company's treatment of the Nomination Committee's opinions.

Nominating Committee Session/Date	Content of motion	Resolution results	The Company's response to the Nomination Committee's opinion
1st term 1st meeting, 2023 2023.03.16	Performance Evaluation of the Company's Board of Directors and Functional Committee	Agreed and approved by all the members present	Submitted to the Board meeting and passed upon approval of the whole present directors unanimously.
	Nomination and review of the list of candidates for directors (including independent directors)		
	Nomination and review of candidates for the Company's President		

F. Promotion of sustainable development, and variance from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance:

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
I. Has the Company established a governance framework to promote sustainable development and a dedicated department (or have another department be responsible for related efforts) for fulfilling sustainable development, with the board of directors authorizing high-level managers to handle such efforts, and having relevant progress be supervised by the board of directors?	V		The Company has established the "Corporate Sustainability Development Committee" in 2016 as the highest-level corporate social responsibility implementation organization for the Company. The Chairperson of the committee was originally held by the president, but was switched to the Chairperson of the board since June 2020 due to organizational changes. The committee members comprised of department heads in order to coordinate the development direction of the Company's corporate social responsibility and sustainability goals. To align with international development trends and the high level of attention paid to ESG issues, the Company renamed its sustainability organization the "ESG Committee," which shall be chaired by the Chairperson of the Board of Directors, to facilitate deeper promotion and implementation of sustainability goals. The ESG Committee is the highest governing body overseeing the management and supervision of sustainability practices within SAS. To promote the activities at the environmental aspect, community aspect, and governance aspect, the ESG Committee has set up professional committees (incorporated as needed). Promotion committees are established in the early stage of project implementation to achieve short-term goals. The Company has established two promotion committees as needed, namely the Greenhouse Gas Inventory and Reduction Promotion Committee, and the TCFD Promotion Committee. Both have become the professional committees upon the completion of promotional projects; in addition, to enhance the functions of professional committees under the ESG Committee, in Q2 2023, the two professional committees concerned were integrated as "Climate Change Professional Committee," for their members to execute the tasks, regular tracking, audit and review. Each year, the chair of the ESG Committee reviews the performance and the achievement of goals and continuously review for improve. With the concerted efforts of all departments, we strive to fulfill our corporate sustainability commitments. The ESG Committee reports to the Board of Directors at least once a year on the implementation focuses, annual goals and implementation results of the year, and every quarter, reports on key implementations regarding each sustainability issues, including the GHG inventory and progress of verification at each branch and subsidiary, TCFD implementation results, customers' net zero emission requirements to the Company and target setting status, the introduction of SBT project establishment and implementation status, SAS net zero roadmap blueprint, the material topics of the sustainability report and the progress of the preparation and verification of the report, progress of CDP questionnaire responses, new government/regulatory issues, and IFRS S1/S2 discussion. The Committee is supervised by the board of directors. The board of directors supervises the goal-setting for sustainable development and reviews the	No significant difference

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			implementation, while giving relevant advices and guidance based on the content of the report. The sustainability report is submitted for the Board of Directors’ approval upon the completion of verification, before issuance and announcement.	
II. Whether the company conducts business operations in accordance with the principle of materiality risk assessment of environmental, social and corporate governance issues, and formulates relevant risk management policies or strategies?	V		The Company has prescribed the “Risk Management Policy and Procedures” approved by the board of directors. The board of directors is the highest risk management unit, based on the overall operating strategies and operating environment, aims to comply with laws and regulations, promote and implement the Company's holistic risk management, and bear the ultimate responsibility for risk management; the senior management is responsible for planning, commanding, and deploying the implementation of risk management decisions by the board of directors, and coordinating interaction and communication; each functional unit is responsible for analyzing, managing and monitoring related risks within their respective units to ensure the effective implementation of risk control mechanism and procedures; the internal audit is an independent unit that assists the board of directors to monitor the implementation of the risk management mechanism, audits the implementation status of risk response and control by each functional unit, and provides the improvement advice of risk monitoring. The implementation of the above risk management is reported to the Audit Committee and the Board of Directors annually, and the implementation of which is supervised by the Audit Committee to ensure the effective operation and implementation of risk management. The scope of risk management includes hazard risk, operational risk, financial risk, strategic risk, compliance risk/contract risk, environmental risk and other risks. Through the effective implementation of risk management processes (including risk identification, risk measurement, risk monitoring, risk reporting, and risk response), the Company’s risk management mechanism is realized. The Company’s ESG Committee conducts risk evaluation on environmental, social and governance issues related to company operations based on the principle of materiality, and establishes relevant risk management strategies through the communications with the internal and external stakeholders and reference with the contents of global risk reports. Except the climate change risks, in the short-term, there are two major emerging risks identified: error messages and pollution, while the information security issue is still at the high-risk level. For the possible impacts to be encountered at the aspects such as corporate operation, the Company has established the corresponding risk strategies and implementation mechanism, to ensure the risks are under effective control. For more information on each risk and corresponding risk management strategies, please refer to the “Governance and Operations” section and “Climate Change Risk Management” section in the Company’s Sustainability Report. The Company regularly assesses risks every year. The risk assessment boundary covers all the Company's operations and production bases, and the assessment is	No significant difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			reported to the board of directors annually. The latest report was made to the board of directors on August 4, 2023.	
III. Environmental issues (I) Whether the Company establishes an appropriate environmental management system which suits its industrial characteristics?	V		The Company insists the promotion of ISO 14001 Environment Management System," and "ISO 50001 Energy Management System, "The Company introduces the concept of product lifecycles, and starts from improving the manufacturing process and product design stage in order to truly achieve reduction of source raw materials. By insisting the operating philosophy of corporate sustainability, the global net-zero target is supported with concrete actions, with efforts to reduce energy application, and continuously improve the energy performance. In addition, the Company accommodates the environment and energy management system, to determine the goal of energy saving and material saving every year, while continuously implementing water recycling and waste reduction measures, to treasure resources and reduce uses of resources, and achieving the effect of reducing greenhouse gas emissions. The Company abides by relevant domestic laws and regulations. Chunan plant and Ilan plant have passed and renewed the internationally recognized environmental and safety and health management system certification of ISO 14001 and ISO 45001 certification. The updated certifications information as below: ISO 45001：2018 Expiry: 11 March, 2022-11 March,2025 Approved Date: 17 February,2022 Certification No.: 196466-2016-ASA-RGC-JAS-ANZ ISO 14001：2015 Expiry: 11 March, 2022- 11 March,2025 Approved Date: 17 February,2022 Certification No.: 196463-2016-AE-RGC-UKAS The Company insists a safe and healthy working environment, fulfills its environmental protection responsibilities and the goals of green management, seeking to take environmental protection into account while serving customers, and provide a better and safer operating environment. Through "legal compliance, green management, consultation and participation, external communication, and continuous improvement" as well as other commitments to implement the environment, safety and health policies, including compliance with laws and regulations, and fulfillment of other requirements; elimination of work-related hazards and reduction of occupational safety and health risks; active investment in waste reduction and pollution prevention, control of environmental risks and reduction of impacts; monitoring of global climate action trends, with assessments	No significant difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			and investments in resources for promoting green manufacturing and green supply chain, pursuit of the best utilization efficiency of energy resources, reduction of the potential environmental impact of the product life cycle, and moving towards environmental sustainability; consultancy with workers and their representatives and participation in environmental, safe and health system activities with recognition of individual responsibilities; active establishment of good interactions with stakeholders, with regular reports on the management performance of occupational safety and health and environment-related issues; continuous improvement of the environment, safe and health management system for better performance of environment, safe and health management .	
(II) Whether the Company is committed to improving the utilization efficiency of various resources and using recycled materials with low impact on environmental?	V		The Company, by promoting the "ISO 14001 environmental management system," has introduced the product life cycle concept in order to reduce raw material consumption and waste output, and achieve the goal of sustainable operation and environmental protection. To achieve the goal of sustainable utilization of environmental resources, the Company focuses on the improvement of the efficiency of the use of various resources, gives priority to the process reduction and reuse, and finally makes disposal; in the selection of raw materials, it will choose recycled materials with low impact on the environment as far as possible in order to reduce the impact on the environment. Starting in 2021, the "ISO 50001 energy management system" has been gradually introduced to identify major energy-using equipment and prioritize improvement equipment, to monitor, measure and take corrective action plans for continuously improving and enhance energy efficiency. For the Company's energy management and waste reduction status, please refer to the Section "Climate Change Risks and Actions" and "Chapter 3. Management of Energy and Pollutant Emission" in the Company's Sustainability Report.	No significant difference
(III) Whether the Company assesses the potential risks and opportunities of climate change to the company now and in the future, and take measures to deal with climate-related issues?	V		The Company has adopted the TCFD framework and established the TCFD Implementation Committee (now consolidated as the Professional Committee on Climate Change) under the ESG Committee to collect the related risks and opportunities of climate change and integrate them with the issues of concern to the stakeholders. These are identified and scored by the representatives in the task forces under the Committee, and the results of the identification presented to the ESG Committee meeting each year. The related committee members and teams formulate the management approaches and targets regarding the risks (material topics) then report to the soonest board meeting. For further information on countermeasures, please see the chapter "Climate Change Risks and Actions" of the Company's Sustainability Report.	No significant difference
(IV) Whether the company counts greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy, carbon,	V		1. The Company inventories and tracks the volume of greenhouse gas emissions, water consumption, waste, the use of recycled materials, and power consumption every year. Please refer to the Company's Sustainability Report "Chapter III.	No significant difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
greenhouse gas and water use reduction, or other waste management?			Management of Energy and Pollution Emissions " or the relevant data and coverage of information 2. According to results of the organizational examination of greenhouse gas emissions, the main source of greenhouse gas emissions of the Company is electricity (Scope 2). Therefore, the reduction of electricity use and the improvement of energy efficiency are the top priorities of the Company at present. Starting from the corporate core of the Company, by introducing the environmental management system and the energy management system, the Company promotes various energy-saving improvement measures to achieve the goal of energy saving and carbon reduction. The Company has introduced various energy-saving engineering improvement plans every year, such as air conditioning and inverter control of cooling water, air conditioning system engineering improvement, replacement with power-saving lighting, air compressor waste heat recovery, among other things, in plants. In 2021, Chunan Plant adopted ISO 50001 for energy management system and passed the certification. In the same year, it applied for the green building label under the "Approach of Carbon Reduction Benefits Assessment," and obtained the Diamond Grade of Green Building Label. The Yilan Plant introduced the ISO 50001 energy management system in 2022, and passed the certification. Via the promotion of the ISO 50001 energy management system, the Company continues to optimize and improve energy management, and achieves a number of energy-saving improvements. 3. In addition to energy saving and carbon reduction, by promoting ISO 14001 Environment Management System, the Company has introduced the concept of product life cycle through the promotion of the new ISO 14001 environmental management system in other parts of environmental protection improvement, such as water saving and waste reduction, so that the reduction of raw materials at the source can be achieved from the improvement of process and product design stages. With respect to prevention of air pollution and water pollution, the company also works with the promulgation of the environment management system. Each year, goals for energy conservation, water conservation, waste reduction and resource saving are established in order to lower energy resource consumption while achieving results of reducing greenhouse gas emission. In the aspect of waste management, the traditional concept of clean-up and disposal is transformed into the concept of effective management of resources, so as to reduce the output of waste.	

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			For the information above, please refer to the Section "Climate Change Risks and Actions" and "Chapter 3. Management of Energy and Pollutant Emission" in the Company's Sustainability Report	
IV. Society issues (I) Whether the Company establishes the related management policies and procedures in accordance with the relevant laws and international human rights conventions?	V		The Company upholds the core value of respecting employees and putting people first. We observe and support the local laws and regulations of our business locations around the world; safeguard the legal rights and interests of full-time employees, contract workers and part-time staff, interns, and job seekers; and are committed to promoting cooperation and encouraging our partnering suppliers to adopt the same standard in their operating activities. The Company recognize and support the spirit and basic principles of human rights protection mandated in international human rights conventions such as the "Universal Declaration of Human Rights," the "United Nations Global Compact," and the "International Labor Conventions," and abide by relevant labor laws and above international human rights regulations, setting "Human Rights Policy", in an effort to creating an equal, safe, and dignified workplace environment. The five policy guideline and related implementation status of the Company "Human Rights Policy" as below: 1. Continuing to create opportunities for achieving diversity, inclusiveness, and equality and prohibit any forms of discrimination (including on the basis of gender, gender orientation, race, class, age, marital status, language, thought, religion, nationality, political party, place of origin, place of birth, appearance, facial features, disability, etc.) The Company continues to promote the prohibition of all inappropriate discrimination in recruitment, appointment, and operating processes. To fulfill the responsibility of caring for migrant workers, we not only organize Christmas parties or prepare Christmas gifts for Filipino workers every year, but also commit to improving their overseas living conditions. 2. Prohibiting forced labor and child labor The Company complies with all labor-related laws and regulations, respects the wishes of all employees, and encourages work–life balance. In addition, methods of detecting child labor and remedial measures are clearly stipulated in the "Personnel Employment Rules" to ensure that all operating activities are free from the illegal use of child labor. If use of child labor in operational processes is found, relevant remedial plans will be enforced for six months or until the child reaches the age of 16 in order to protect the rights of the child. 3. Creating a safe and healthy work environment The Company continues to provide free health examination, arrange on-premise medical services, organize health promotion activities, and keep track of specific populations to raise employees' awareness of self-health management. In 2023,	No significant difference

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			we organized a total of 100 health promotion activities such as lectures, first aid courses, cancer prevention screening, etc., for a total of 3,357 participants. The Company also establishes various work safety and health management procedures and operating standards, and implements special hazardous operation control, chemical management, and environmental monitoring to prevent occupational injuries, eliminate hazards, and reduce environmental safety and health risks, thereby creating a safe operating environment for employees. 4. Providing fair and reasonable salary and working conditions Each year, the Company determines industry salary standards through salary surveys, and appropriately adjusts employee salaries with reference to objective data such as overall economic indicators and price indexes. For the purpose of fairness, employee remuneration standards are based on job position, seniority, and professional skills to ensure equal pay for equal work and avoid discrimination and differential treatment on the basis of gender, age, or other conditions. In addition, the Company also strictly controls working hours to meet the legal limit, and actively prevents burnout through regular working hour analysis reports and an abnormal attendance management system. 5. Providing avenues and environment for freedom of expression and respecting employees' freedom of association. The Company convenes four employer-employee meetings each year during which matters concerning the coordination of labor-management relations, labor conditions, and worker benefits are discussed so as to promote harmonious employer-employee relations. The Company also sets up employee suggestion boxes in appropriate and obvious places to provide employees with whistleblowing and grievance channels, so that their dissatisfaction and concerns can be expressed and resolved. The above policies and statements have been declared by senior executives and are published on the Company's website. Each year, the Company assesses risks associated with human rights and labor rights in accordance with the Responsible Business Alliance (RBA) standards, which are incorporated in the Company's "Personnel Employment Rules" and "Sexual Harassment Preventive Measures, Complaint and Punishment Regulations". Employees can anonymously submit grievances via such channels as the mailbox or telephone to report illegal infringements. Relevant committees will keep the entire handling process confidential. Meeting outcomes will be used to actively track, monitor, and afford necessary support to the parties involved so as to safeguard human rights and avoid recurrence. The Company has not been the subject of any complaints for violation of human rights (forced labor, child labor, discrimination,	

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			harassment, and freedom of association) at all operating locations in the past three years. Regarding training, new recruits are trained on human rights when they report for duty; existing employees are arranged from time to time to take courses on workplace violence and sexual harassment prevention. These training courses are mandatory to employees in managerial roles, who are identified as one of the main stakeholders of the Company, so as to actively prevent illegal infringement in the workplace. In 2023, the Company recorded 378 people in attendance, for 24 sessions of courses.	
(II) Whether the Company legislates and implement reasonable employee welfare measures (including compensation, vacations and other benefits), and appropriately reflect operating performance or results in employee compensation?	V		The Company fairly decides and distributes employees' remunerations from the annual profit, if any, for 3%~15%, as set for in the Articles of Incorporation, and the performance of individual employee pursuant to the "Employee Remuneration Distribution Procedures." It seeks to properly reflect the operating performance or results on the employees' remunerations. The Company establishes attendance rules in accordance with the Labor Standards Act. The attendance rules specify paid leaves to which employees are entitled. All employees of the Company are entitled to labor insurance, health insurance, group insurance, and pension contribution, among other general benefits. Company-provided benefits include year-end bonus, gifts for birthday and festivities, year-end banquet, subsidies for matrimony, bereavement, and other celebration, domestic and overseas travel, emergency relief fund, scholarship, on-the-job education subsidies, childbirth subsidy, meals, and comprehensive range of training programs. The Company also creates a cross-functional team to be in charge of an Employee Care Program (ECP) that integrates employee benefits and plans ways to improve their benefits so that appropriate resources are made immediately available when employees encounter a personal problem. Since 2021, the trust of employee shareholding was also added. Employees may evaluate on their own whether to join or not, and participants are given rewards equal to 100% of the amount contributed by themselves.	No significant difference
(III) Whether the Company provides its employees with a safe and healthy work environment, and regularly implements employee safety and health education measures?	V		1. The Company regularly inspects the working environment of employees, and conducts various safety and health education and training courses and health seminars based on the needs of employees, promotes anti-bullying in the workplace, with the annual physical examination of employees: the health care for employees is moving in the direction of diversity. Every year, based on the analysis of the test data collected from the overall health examination report of the employees, an annual health management plan with improvement planning that meets the health needs is formulated to maintain the physical health of the employees; in terms of health education, the Company promotes various health promotion activities, including cancer screening tests, health seminars,	No significant difference

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	Yes	No	Abstract Explanation	
			and emergency rescue courses to help employees develop correct health care knowledge and enhance health care awareness; in addition, in order to create a healthy workplace where employees can work with peace of mind, the Company is committed to implementing the maternity protection program, and actively provides the friendly workplace measures superior to the legal requirements. In addition to comfortable breastfeeding space, childbirth subsidies, and exclusive discounts for contracted corporate nurseries and kindergartens, the "Good Maternity Pack" has been planned since 2021, where each expecting mother will be given a good maternity pack, i.e. a breastfeeding pillow, to encourage pregnant employees to report early for receiving the maternal health assessment in workplace immediately and initiating protective measures, to create a mother-friendly workplace through this measure. 2. The Company's Chunan and Yilan Plants (coverage of verification) have passed the environmental and occupational safety management system verification and updated their ISO 14001 and ISO 45001 certificates to provide the employees with a healthy and safe working environment. The certification information are as below: ●ISO 45001：2018 Expiry: 11 March ,2022-11 March, 2025 Verification date: 17 February, 2022 Verification No.: 196466-2016-ASA-RGC-JAS-ANZ ●ISO 14001：2015 Expiry: 11March, 2022-11 March, 2025 Verification date: 17 February, 2022 Verification No.: 196463-2016-AE-RGC-UKAS 3. In 2023, the Company did not encounter any work-related fatalities, occupational diseases or major occupational disasters. There were a total of 10 recordable occupational injuries (excluding employee commuting accidents); the type of diseases include four cases of tripping, two of clipped/rolled, and one case of splash of chemicals, falling, injury due to improper action each. According to the Ministry of Labor's definition, the disabling frequency (FR) rate was 5.62, and the disabling severity rate (SR) was 144. We have conducted special investigations for each occupational disaster incident, and taken improvement measures (such as improving facilities/equipment, establishing systematic document specifications, or strengthening personnel education and	

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			training) based on the root cause of the incident, and provided training to other departments to prevent similar incidents from occurring again. 4. The number of fire incidents, fatalities, and ratio of fatalities to total employees of the Company in 2023 were all 0. In order to avoid disasters, improve safety management (including fire safety), and effectively respond to disasters and correct/prevent recurrences, the Company has established "Management Procedures for Incident Reporting, Handling, and Investigation," "Emergency Preparation and Response Management Procedures.," and "Energy Non-conformity and Corrective Action Management Procedures," and conduct contingency drills for possible emergencies. Please refer to the Company's Sustainability Report "Chapter V. Health and Safety in Workplace" for detailed information.	
(IV) Whether the Company establishes some effective career development training plan for employees?	V		The Company prepares the annual education and training program based on its operating strategies, and short-, medium-, and long-term goals, while regarding the talent cultivation and technology inheritance as its priorities. Strengthen the talent database to grasp the dynamics and development direction of the Group's talents, and organize different types of training courses, industry-academia collaborations, and project studies, so that employees can keep abreast of global political and economic trends, new technologies, while supplementing with job deputy, rotation and on-the-job training mechanisms, to strengthen employees' different functions. The Company provides diverse training resources, encompassing the following six categories: competency training for new recruits, professional competency training, general management competency training, intellectual property training, and health and safety management training. This system provides suitable training courses for employees in their different stages of career development, so that the Company and employees will be adaptive to the ever evolving world, and own the knowledge, skills, and capabilities go along with the time. The Company's learning culture is promoted to encourage colleagues to contribute their expertise and make full use of training resources, and establish "Regulations for Internal Lecturer Management," for implementing the Company's knowledge management, technology inheritance, and consolidate core competitiveness. In 2023, total 11 classes of function training for new recruits were conducted, attended by 11 persons, with total 135 hours; 704 classes of professional function training were conducted, attended by 12,440 persons, with total 1,939.5 hours; 252 classes of general function training were conducted, attended by 2,493 persons, with total 420 hours.	No significant difference
(V) With regard to customer health and safety, customer privacy, marketing and labeling of products and services, has the company followed relevant	V		The Company's products and services complies with the relevant regulations and standards applicable to the Company's industry; through the supplier management, it is ensured that the products from the supply chain fully conform to the industrial	No significant difference

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	Yes	No	Abstract Explanation	
regulations and international standards, and formulated relevant consumer protection policies and appeal procedures?			standards and policies like RoHS, REACH, WEEE, among other things, to fulfill the social and environmental responsibility; the Company is also committed to comply with product standard and operational regulations in plants required by customers, to achieve the promises with full force, and maintain quality relationships. The Company also has a legal compliance unit in place, to ensure that commercial conditions, products, processes and services to meet the requirements of competition laws and relevant export control regulations with jurisdiction. Before working with any customer, the Company shall sign a non-disclosure agreement (NDA) approved by the legal department, and personnel shall not breach the contracts entered with the Company by disclosing the known trade secrets to others, nor shall they inquire or collect trade secrets not related to their duties, in order to fully protect the confidential and sensitive information of both parties. With regard to the protection of customers' personal information, the Company's Compliance Unit charges the unit in charge of data with conducting regular inventory of personal data involved in business operations to ensure that the unit in charge of data observes the Personal Information Protection Act when collecting, processing, and using personal data. The Company has established the "Procedures of Customer Complaints Management" to maintain good communications with its customers, as well as effective appealing procedures regarding products and service.	
(VI) Whether the company formulates supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights, and their implementation?	V		The Company emphasizes to the sustainable management of suppliers. For the requirements of sustainability, we focus on the requirements under the supplier's environmental, social and corporate governance aspects. To cope with operating system for the supplier management, the Company has established the "Supplier Evaluation and Appraisal Mechanism," to regularly manage, evaluate, appraise, coach, and track the improvement of suppliers. Meanwhile, based on the supply chain management policy, the Company requires suppliers to sign the "Statement of Commitment to Supplier's Code of Conduct" and to comply with the Responsible Business Alliance (RBA) Code of Conduct, to ensure the suppliers to adopt the same standards as the Company with respect to anti-bribery and corruption, social and environmental responsibility, conflict-free minerals, trade compliance, non-infringement, prohibition of silicon materials linked to forced labor, and green procurement (RoHS, REACH and WEEE), while promoting the cooperation to join the engagement in green procurement, and enforcing policies and regulations related to environmental protection, occupational safety and health, intellectual property rights, labor rights, and human rights. 1. Supplier Evaluation and Appraisal Suppliers must pass the Supplier Evaluation and Appraisal and comply with the Supplier's Code of Conduct. ● Operation of Evaluation and Appraisal:	No significant difference

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	Yes	No	Abstract Explanation	
			(1) Domestic and foreign suppliers that have valid certifications such as ISO 9001:2015, IATF 16949:2016 and ISO 14001:2015, proving their quality systems have been reviewed and certified as qualified by a recognized institution or equivalent international standards. (2) For the domestic suppliers of raw materials and major consumables without ISO 9001:2015, IATF 16949:2016, or ISO 14001:2015 quality certification, the on-site appraisal will be conducted to see whether the vendor is qualified as supplier. The foreign suppliers must conduct a self-assessment with the "survey of suppliers' quality management system" and "survey related to the suppliers' environment." If the self-assessment result is 70 points or above, such vendors are subject to the approval by the Company's internal quality assurance, R&D and procurement personnel. ● Status of implementation: (1) Statement of Commitment to Supplier's Code of Conduct signed by suppliers (2) Supplier quality certification management system 2. On-site audit Formulate an annual supplier audit plan and perform a regular audit once a year to ensure that suppliers continue to maintain their supply and service quality. ● Implementation status: No supplier scored less than 70 points in 2023. 3. Coaching the Improvement and Tracking During the audit process, the Company provides counseling and advice for improvement, and tracks the improvement status. ● Implementation status: In 2023, no vendor was listed to be tracked for counseling improvement.	
V. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company obtain third-party assurance or guarantees for the reports above?	V		1. The Company prepares Sustainability Reports in alignment with the Global Reporting Initiative (GRI) Standards, indicators of semiconductor industry in the "Sustainability Accounting Standards" issued by the Sustainability Accounting Standards Board (SASB), and "Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies". 2. The Company's 2023 Sustainability Report has been verified by DNV GL Business Assurance Co., Ltd. as meeting the requirements of the GRI Standards and moderate level of assurance of DNV VeriSustain. The Sustainability Report and verification statement are disclosed on the Company website and Market Observation Post System.	No significant difference
VI. If the Company has established the corporate social responsibility principles based on "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the Principles and their implementation: The Company has established the "Sustainable Development Best-Practice Principles" and devoted to promote the sustainable development, which has no significant difference with the Rules.				
VII. Other important information to facilitate better understanding of the Company's promotion of sustainability development:				

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	Yes	No	Abstract Explanation	

1. Environmental protection: It is everyone's responsibility to promote environmental protection and low-carbon activities. In addition to strengthening energy-saving management and control of the process, the Company actively implements waste classification and resource recovery, promotes energy saving and carbon reduction, and has energy-saving and carbon-reduction equipment expenditure.
2. Social welfare: The Company continues to assess risks and opportunities in our place of business operations (locations in Taiwan include Hsinchu, Miaoli, and Yilan). We are committed to taking care of disadvantaged individuals in rural areas, such as economically disadvantaged families, children, and those with physical and mental disabilities, expecting through the charity donation activity support to improve their life and education condition. In addition, implement specific action plans for environmental protection in the place of operation through local volunteer services. To encourage employee participation in charity and welfare, the Company will match employee's contribution at a 1: 1 ratio (i.e., the Company will donate the exact same amount of donation made by employees), thereby increasing the size of donation to help more places that are in need of assistance. The Company invested resources in the following social welfare activities in 2023:
   (1) The Company donated a total of NT$622,000 to World Vision Taiwan for the "Turkey/Syria Earthquake Rescue and Relief Program."
   (2) "Early Healing Fundraising Project," donated NT$360,000 to the Syin-Lu Social Welfare Foundation
   (3) Donation of Miaoli Branch of Genesis Social Welfare Foundation under the "Local Care, Help the Equipment Update Program of Genesis Miaoli Nursing Home," for total of NT$339,000.
   (4) "Winter Charity Fair Sponsorship Program" in which we donated NT$10,000 to Hsinchu Center of Taiwan Fund for Children and Families.
   (5) "2023 Mid-Autumn Festival Moon Cake Donation Charity Event" in which we donated NT$15,000 to Holy Family for Special Education; and to Yilan Hsing-Fu Social Welfare Charity Foundation, for a total of NT$15,000
   (6) SAS and Globalwafers' plants in Taiwan held the "Earth-Friendly, Hand-in-Hand Beach Cleanup Event," at the Longfeng Fishing Port in Chunan, Miaoli and cleaned up more than 100 kilograms of marine debris.
   (7) The Company advocates blood donation activities, continues to support the service mission of the blood donation center, "donation of blood, saves a life," to help solve the blood shortage problem of the blood bank. Two blood donation activities are organized in each plant every year. For 2023, 290 donors, 477 bags, and 119,250cc of blood were accumulated. SAS actively responds to social needs, encourages employees to roll up their sleeves and work together to alleviate the blood shortage, and shows their passion for public welfare to pass on love.
   (8) SAS and Globalwafers jointly responded to the "Earth Hour 60" initiative by turning off unnecessary lights and power-consuming equipment for one hour at 8:30 pm on March 25, 2023, within the extent no affecting normal production, including the office area, parking lot, and outdoor lighting power supply in the plants. A plant-wide promotional event was also conducted before taking action, to encourage employees to turn off unnecessary lights. It is hoped to protect our future and that of the next generation with concrete actions by deepening the awareness of employees in climate changes via the light turning-off action.
   (9) To support the cultural development in Taiwan, the Company actively supports the cultural business and development of arts in Taiwan. In 2023, the Group Company worked with the Alliance Cultural Foundation to invest NT$5 million to support the Paul Chiang Art Promotion Project and the "Paul Chiang Art Park" to revitalize the local community through arts, and promote the cultural sustainable development of Hualien and Taitung.
   (10) Yilan branch is located in Letzer Industrial Park. We have adopted the beautification and maintenance of the sidewalks around the park, and we also assist in the beautification and cleaning of the sidewalks of the main roads. In 2023, we have a total of 60 people-times to participate.
3. Consumer rights: The Company has internally established the "Customer Complaint Management Procedure" to provide customers with a channel to express their complaints, and signed contracts such as supply contracts and quality contracts with its customers, in order to fully ensure customer's rights and interests.
4. Human rights: The Company attaches great importance to human rights. Regardless of race, gender and age, employees enjoy the same right to work, and the Company also provides opportunities for free expression and development to standalone, in order to achieve respect for personal dignity.
5. Safety and health: With zero disaster as the goal, the Company is committed to the promotion of safety and health policy and the continuous improvement of process and working environment. Through the joint efforts of all staffs, we continuously improve the occupational safety and health performance.
6. Employee health care: The Company carries out health examination for employees each year to let them know their health status each ear, and then care for and strengthen their health. We also arrange professional medical specialists to visit our plant every month for consulting services. In the workplace, in order to grasp the status of employees' working environment and assess the exposure status of hazard factors, besides setting detection and alarm equipments at appropriate positions, work environment test is also done regularly as a basis for improving the workplace environment.

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	

7. Human capital development: The Company identifies, cultivates, and rewards talented employees by adopting a sound performance-based reward system, fostering professionals who are still studying, subsidizing continuing education for in-house employees, or signing contracts with a cadre of key employees, so as to facilitate talent retention. In addition, we motivate employees to stay with the company by issuing employee stock ownership trust and awarding medals to senior employees.
   (1) PhD and Masters scholarships: The Company has Rules on Applying for PhD and Masters Scholarships in place to continue to support the education of professionals and secure a pool of talents for the company after they graduate.
   (2) Funding for on-the-job continuing education: The Company has "On-the-Job Continuing Education Rules" in place to fully subsidize the continuing education of in-house employees who demonstrate excellent performance and willingness to pursue further studies, thereby encouraging employees to advance their career.
   (3) Signing contracts with a cadre of key employees: The Company enters a contractual relationship with a cadre of key employees in managerial roles who possess strategic planning capabilities or irreplaceable skills, so as to achieve talent retention and ensure the sustainable development of the Company's human capitals.
8. Pandemic containment in Plants: The post-pandemic era has come. The global outbreak of COVID-19 has changed the work and lifestyle significantly. Some of the changes will normalize immediately once the pandemic is under control, but some of the changes will be permanent. Even though long-term social distancing is not required, some behaviors will continue to exist, such as increased frequency of hand-washing, and maintaining personal hygiene, to reduce the risk of the spread of infectious diseases.
   The Company will regularly adjust its pandemic containment measures in accordance with changes in the global pandemic. Not only the Company implement high-standard corporate pandemic containment mechanisms to ensure uninterrupted production line operations, it also continuously promotes diverse care measures, ensure the safety of all employees, and exert a positive corporate influence of corporate, for ensuring the safety of healthy workplace.
   (1) Pandemic containment information: to enable employees to grasp the real-time information on pandemic containment, the health management center gathers the latest domestic and international pandemic information from time to time, and adjusts the real-time announcement of pandemic containment measures in the plant on a rolling basis, depending on the pandemic level, so that employees can receive accurate pandemic containment information quickly.
   (2) Care for health: cares are given to employees with fever symptoms and suspected contact history, regular follow-up and care are provided to strengthen the physical health of all employees.
   (3) Disinfection of the Plants: The disinfection and cleaning measures for public areas are formulated, the frequency of environmental disinfection is adjusted, with the supply of alcohol-based sanitizer in public areas and additional partitions in the cafeteria, posters of correct hand-washing slogans in each restroom, and regularly check of the pandemic containment materials, to ensure that the Company has sufficient pandemic containment materials.
   (4) Physical and mental care: To facilitate employees to pay attention to their physical and mental status and identify their needs for physical and mental balance, in 2021, SAS introduced the Employee Assistance Program Consortium (EAPC), providing each employee with two complimentary one-on-one counseling services each year, and sends out regular promotional materials of psychological growth, to help employees resolve negative emotions and pressure.

G. Implementation of climate-related information

Item	Status of implementation
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company's board of directors has the highest governance body for risk management and is responsible for setting climate-related policies, strategies and goals. The Audit Committee assists in supervising risk management-related matters. The ESG Committee is the Company's highest internal sustainability management and supervision organization. The "Climate Change Professional Committee" under the ESG Committee regularly tracks and inspect the implementation of the progress of climate change related risk and opportunity targets; in addition, the chair of the ESG Committee (Chairperson) also reviews the achievement of performance goals, for reviews and improvement per year. The Company At least once a year, the Company reports to the Board of Directors on the key points and results of the implementation of the goals for the year, and the Board of Directors supervises the formulation and implementation of sustainable development goals, while giving relevant advice and guidance based on the ESG Committee's report.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company evaluates the potential operational and financial impact of climate-related risks and opportunities on the Company in the short-term (≦3 years), medium-term (4-6 years), and long-term (≧7 years), as well as conducts risk analysis under different climate scenarios to understand how the overall climate trend will develop and evolve, and formulate corresponding actions. ●Climate change risks, potential financial impacts, response strategies, and financial impacts

Type		Risks	Potential financial impact	Time scale	Degree of correlation (influence)	Countermeasure	Financial impact of such measure
Physical risk	Immediacy	High temperature (production)	High temperatures will reduce the cooling capacity of air-conditioning equipment, increase the load factor of the air-conditioning system, and thus increase the electricity load (electricity consumption cost).	Short-	Mid-	1. Setting up backup devices for major energy equipment; 2. Implement an energy management system, supervise and measure the energy efficiency of major energy-consuming equipment, while planning various energy-saving programs.	Invest in various energy-saving measures and equipment, resulting in increasing operating costs.
Transition risks	Policies and regulations	Carbon tax	Subject to domestic and foreign carbon emission regulations and controls, the carbon fees (tariff) may be paid, resulting in an increase in operating costs.	Short-	Long-	1. Low-carbon technology transition 2. Replace corporate vehicles with EVs 3. Purchase of renewable energy	Invest in various low-carbon measures (technology transformation, replacement of energy-consuming equipment, purchase of renewable energy), resulting in increasing operating costs.
		Carbon emission control	Carbon fees will be levied if the carbon emission control quota is exceeded, resulting in an increase in operating costs.	Short-	Long-		
		Requirements for the percentage of renewable energy	Add renewable energy facilities or purchase green electricity, resulting in the higher unit price of renewable energy consumption than the unit price of power purchase from Taipower, thereby increasing the cost of electricity consumption.	Short-	Long-	Purchase green power and certificates for renewable energy power generation sites	Invest in renewable energy power generation projects, resulting in an increase in operating costs.
		Increased requirement for disclosure of corporate climate information	External stakeholders are concerned about the Company's climate actions. Failure to disclose relevant information will affect the corporate image and hinder the Company's related investments and loans.	Short-	Long-	Expand and improve the information related to sustainable development on the Company's official website	Increase spending on optimization and maintenance of the Company's official website.
	Reputation	Customers demand more for third-party sustainability testing of products in the future	According to customer requirements, the relevant sustainability projects are implemented and verified (verified) by a third party. If the projects are not implemented, there is a fear of reduced orders (revenue reduction).	Short-	Long-	In order to meet customer needs and expectations, relevant projects are implemented and third-party inspection (verification) is carried out to increase external stakeholders' trust in the information disclosed by the Company.	Promotion of relevant projects and inspection (verification) by a third party, with expenditure on consulting and inspection (verification), resulting in an increase in operating costs.
	Technology	Increased penetration of electric vehicles	In order to mitigate the impact of carbon regulations, it is necessary to implement low-carbon measures, resulting in related	Mid-	Long-	Replace corporate vehicles with electric vehicles or hybrid vehicles to reduce carbon emissions	Procurement of electric vehicles/ hybrid vehicles to increase management costs.

Item	Status of implementation

			investment expenditures and increased operating costs.				
		Low-carbon technology transformation	The development of new technologies and the introduction of mass production take time to achieve the optimization of production capacity and quality. The Company may not be able to break even at the initial stage of product development and may cause financial burdens.	Short-	Long-	Integrate internal and external resources to accelerate the development of new technologies to optimize cost control	Develop low-carbon products resulting in an increase in R&D expenditures and management costs for resource integration.

- Opportunities for transition: In order to reduce the impact of transition risks on the Company's operations, and in response to the development and demand trends of renewable energy in Taiwan in recent years, the rise of international standards (such as RE100), and supply chain requirements, among other things, the demand for renewable energy has increased, and the Company can expect the growth of solar energy construction business and renewable energy electricity sales business. Through the representatives of each department, the Company identified seven transition opportunities derived from climate change specific to policies/regulations, technology, market, reputation, and climate disasters regarding external changes and trends and internal operation strategies.
- Climate change opportunities, potential financial impacts, response strategies, and financial impacts

Type	Opportunity	Potential financial impact	Countermeasure	Financial impact of such measure
Resource efficiency	Use of production and distribution processes more efficient	The Company develops low-carbon transition or energy-saving technologies to reduce electricity expenditure.	Continue to promote the energy management system, replace outdated energy-consuming equipment, and invest in R&D of low-carbon technologies.	Invest in various energy-saving improvements and low-carbon technologies to increase capital expenditure.
	Recycle and reuse	Increase the percentage of silicon recycled materials used, reduce the consumption of virgin silicon materials, reduce direct costs, and reduce indirect greenhouse gas emissions.	Based on the quality acceptable to customers, continue to increase the proportion of auxiliary materials used to reduce the demand for pure materials.	Increase in the purchase expense of silicon auxiliary materials
	Reduction of water usage and consumption	Recycle and reuse water resources to reduce water costs.	1. The Company sets an improvement proposal system, where each department finds opportunities for improvement, and manage and track the reported benefits of improvement projects. 2. Regularly collect statistics, review and disclose water resource information in plants	Invest in water recycling equipment, resulting in an increase in capital expenditure.
Source of energy	Adoption of incentive policies	Plan an incentive mechanism for supplier's sustainability action, to enhance the Company's greenhouse gas reduction effect, in order to meet customer expectations, and thereby increase the Company's revenue.	By increasing the procurement volume of suppliers or provide other incentives, achieve the effect of carbon management and reduction in the supply chain.	By increasing the procurement ratio of low-carbon raw materials, indirectly result in an increase in raw material procurement costs (carbon reduction costs are passed on to suppliers)
Products and services	Develop and/or add low-carbon products and services	Increase the solar energy construction business to increase revenue.	Increase the number of construction sites year by year as a business goal.	Increase the construction expenditure and maintenance and operation expenses of the project sites.
	Develop and innovate new products and services	The technological innovation of solar cells and the additional demand for the sales thereof increase the revenue.	Deploy the production capacity according to the market conditions as the operating target.	Increase the R&D expenditure of solar cell technology.

<table>
<tr><th>Item</th><th>Status of implementation</th></tr>
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<table>
<tr><td>Market</td><td>Entrance into new markets</td><td>Based on the renewable energy trend and policy forecast in recent years, it is estimated a market demand for green power, which will help the Company's renewable energy electricity sales business and thus increase revenue.</td><td>Increase the sale of renewable energy electricity based on the market trend and the installation of renewable energy year by year.</td><td>Implement policies and plans, resulting in increases in manpower and management costs.</td></tr>
</table>
For the information above, please refer to the Section “Climate Change Risks and Actions” in the Company’s Sustainability Report.
</td></tr>
<tr><td>3. Describe the financial impact of extreme weather events and transformative actions.</td><td>
1. The financial impacts of extreme climate and transition actions are described in the Table of Item 2, under "Potential Financial Impacts" and "Financial Impacts of Strategies."
2. To properly manage the risks associated with extreme weather events and the transition to a low-carbon economy, the Company has incorporated climate change risks into its operational decisions, to identify and manage risks; meanwhile, it faces the crises of global warming and resource depletion, and spare no effort to supporting the trend of energy-saving and carbon reduction, for mitigation and adaptation actions.
</td></tr>
<tr><td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>
The Company adopts the TCFD framework to promote low-carbon transition and climate adaptation through four major aspects: governance, strategy, risk management, and indicators and goals. Via the "Climate Change Committee" the management process is also integrated into the Company's existing management system; and with the interaction between the management and each unit, the Company's climate change governance and operation system is implemented.
The Company's climate risk management process is mainly divided into four major steps, from risk identification, assessment, monitoring to reporting, as follows:
<table>
<tr><th>Management process</th><th>Content</th></tr>
<tr><td>Risk Identification</td><td>(1) Identify climate risks and opportunities every two years in line with the Company's annual plan and schedule.
(2) Identify physical/transition risks and opportunities, and clarify the distribution of short-, medium-, and long-term impacts from various climate-related issues, to screen out medium-high potential risks for quantitative measurement.</td></tr>
<tr><td>Risk assessment</td><td>(1) Assess (measure) the severity, vulnerability, and exposure of medium and high-level potential risks.
(2) The scope of measurement includes the path of impact, the time and geographical scope of the impact, the position in the value chain subject to the impact, and the financial impact.</td></tr>
<tr><td>Risk monitoring</td><td>(1) Develop an adaptation action plan for the risks
(2) Supervise the climate risk monitoring indicators to control the value loss caused by the climate risk.</td></tr>
<tr><td>Risk report</td><td>Report various climate risk-related information in board meetings on a regular basis (quarterly).</td></tr>
</table>
For the information above, please refer to the Section “Climate Change Risks and Actions” in the Company’s Sustainability Report.
</td></tr>
<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</td><td>
The scenarios, parameters, assumptions and analysis factors used in the scenario analysis are shown in the table below. For the financial impacts, please refer to the "Potential Financial Impacts" and "Financial Impacts of Strategies" in the Table of item 2 of the above disclosure.
<table>
<tr><th>Analysis Content</th><th>Subject of Evaluation</th><th>Evaluation Method</th><th>Climate Scenarios</th><th>Evaluation Results</th></tr>
<tr><td>Physical risk</td><td>The Company’s production/ operation bases in Taiwan</td><td>Disaster risk model</td><td>The AR5 RCP8.5 of IPCC was adopted as the basis (the most severe climate disaster scenario that may occur in the future if almost no climate policy), to set three future climate scenarios including flooding, drought, and high temperature in 2035. Through collecting the disaster potential diagrams and relevant research data published by the National Science & Technology Center for Disaster Reduction, the probability of occurrence and the disaster potential scale of the three types of climate disasters under the RCP 8.5 scenario are estimated, and the possible scenarios of occurrences in the plants are proposed as the future scenario hypotheses of the physical risk based on the scale of the climate disaster potential</td><td>• Flooding: When the 4-hour duration of rainfall reaches 650mm, there is no flooding in the plant area.
• Drought: There is a 33.5% chance of no rainfall for 51 consecutive days in Miaoli by 2035, reaching a drought level
• High temperature: There is a 9.6% chance of a high temperature of 37.25°C occurring in the Hsinchu area in 2035</td></tr>
<tr><td>Transition risks</td><td>The Company’s production/ operation bases in Taiwan</td><td>Qualitative and quantitative risk assessment of low-carbon transition</td><td>The transition risk refers to the future scenario established by the International Energy Agency (IEA) as "the future global temperature rises by 1.5°C," and the future time scale is set as 2030 or 2050. Subsequently, the detailed future climate scenarios are set based on the attributes of each transition risk event.</td><td>1. Aspect of policies and regulations
• Carbon tax: the carbon price is US$120/t in 2030 under the IEA WEO 2021 APS scenario
• Carbon emission control: Nationally Determined Contributions (NDCs)
• Establishment of renewable energy: The Group's goal at the RE stage, i.e. reaching RE20 by 2030</td></tr>
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<table>
<tr><th>Item</th><th>Status of implementation</th></tr>
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<table>
<tr><td></td><td></td><td></td><td></td><td>2. Aspect of technology
• Low-carbon technology transition: Conduct linear regression with reference to the average carbon reduction cost of reduction-voluntary companies. The estimated carbon reduction cost for enterprises in 2030 is about NT$9,000/tonne CO_2
• The Company's future operation strategy</td></tr>
<tr><td>Transition opportunities</td><td>The Company’s production/ operation bases in Taiwan</td><td>Qualitative and quantitative risk assessment of low-carbon transition</td><td>With reference to the future domestic and international policy development trends and the Company's current status and future operation strategies</td><td>• Nationally Determined Contributions (NDCs)
• National renewable energy development policies and goals</td></tr>
</table>
For the information above, please refer to the Section “Climate Change Risks and Actions” in the Company’s Sustainability Report.</td></tr>
<tr><td>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</td><td>With the frequent occurrence of extreme climate events, governments around the world have successively promulgated increasingly stringent sustainable development policies. "Net zero" has become the ultimate carbon reduction goal for governments around the world, and the support of enterprises and the realization of net zero transformation are inevitable. The Company has changed its role from a regulated emitter to a proactive provider of climate solutions. We have followed the Science-Based Targets (SBT) and internal business strategies to map out the pathway blueprint for net zero transition.
The Company achieves its carbon reduction goal through four main pillars of reduction actions: optimizing production processes to improve product efficiency, improving equipment energy efficiency, replacing old equipment and maintaining and optimizing existing equipment and facilities, and purchasing renewable energy. In addition, for self-regulation and accelerating reduction of greenhouse gas emissions, an internal carbon pricing trial is planned to be implemented in 2024. The Company incorporates carbon emissions from operating activities into financial cost estimates with reference to the Carbon Border Adjustment Mechanism (CBAM) prices, in order to change employee behavior to be low-carbon oriented, and mitigate the impact of carbon regulations that enterprises may encounter in the future.
The Company continues to track climate-related management indicators, including
• setting up the key climate targets such as greenhouse gas, renewable energy, water and power reduction, and product optimization
• SAS carbon reduction targets and paths are set with reference to SBT standards
For the information above, please refer to the Section “Climate Change Risks and Actions” in the Company’s Sustainability Report.</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</td><td>The Company makes adjustments with reference to the Carbon Border Adjustment Mechanism (CBAM) price, incorporates the carbon emissions from operating activities into financial cost estimates, and sets the internal carbon fee based on the Scope 1 and Scope 2 emissions of each plant, to establish the internal carbon pricing mechanism, which will be introduced to all the Group's operating locations in 2024.</td></tr>
<tr><td>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity</td><td>The Company's climate goals and the activities and scopes covered are as follows:
(1) <u>Scope 1 & Scope 2</u>
Our goal is to reduce Scope 1 and Scope 2 carbon emissions by 42% by 2030 from the base year (2022). As the main source of our greenhouse gas emissions is electricity (scope 2), the reduction in electricity consumption and improvement of energy efficiency is our top priority for carbon reduction. We will reduce carbon through four main pillars of reduction actions: optimizing production processes to improve product efficiency, improving equipment energy efficiency, replacing old equipment and maintaining and optimizing existing equipment and facilities, and purchasing renewable energy to achieve the goal of carbon reduction.
(2) <u>Scope 3</u>
The goal is to reduce Scope 3 carbon emissions by 25% from the base year (2022) by 2030. Our Scope 3 carbon emissions are mainly focused on the upstream purchase of products and services, of which, the key raw materials (poly and wafer) have the highest carbon emissions (accounting for more than 90% of the emissions from purchased products). Therefore, we will prioritize the management of carbon emissions from key raw materials, and gradually require suppliers to carry out carbon inspection and suppliers with notable carbon reduction will be selected first.</td></tr>
</table>

<table>
<tr><th>Item</th><th>Status of implementation</th></tr>
<tr><td>of carbon credits or RECs to be offset should be specified.</td><td>
(3) Target planning schedule:
<table>
<tr><th>Target scope</th><th>Short-term (1 - 3 years)</th><th>Mid-term (3 - 10 years)</th><th>Long-term (over 10 years)</th></tr>
<tr><td>Scope 1 and 2 reduction targets</td><td>• More than 2% power saved year-on-year</td><td>• More than 2% power saved year-on-year
• 2030：RE20
• 2030: Scope 1 + Scope 2 emissions reduced by 42% compared to the base year</td><td>• 2035：RE35
• 2040：RE50
• 2050：RE100</td></tr>
<tr><td>Scope 3 Reduction Target</td><td>• Ratio of pure silicon used in ingot < 50%</td><td>• 2030: Scope 3 emissions reduced by 25% compared to the base year</td><td>-</td></tr>
</table>
(4) Achievement Progress toward Goals:
In 2023, SAS’ Scope 1 direct greenhouse gas emissions were 551.0 ton/CO2e, and the Scope 2 indirect greenhouse gas emissions were 28,268.7 ton/CO2e, or 43.4% lower than the Scope 1 and Scope 2 emissions in the previous year. This was mainly due to the decrease in production capacity; however, the emission per unit of revenue from the energy intensity indicator, it shows that it was 0.0042 tonCO2e/KNTD in 2023, demonstrating a year by year decline comparing to the past three years, indicating that our emission reduction was not only affected by production capacity but also resulted from reduction actions.

(5) Emission sources of Scope 1 and Scope 2 (covered activities)
<table>
<tr><th colspan="4">Type of emission</th><th>Emission source</th></tr>
<tr><td rowspan="3">Scope 1</td><td rowspan="3">Direct greenhouse gas emissions</td><td>1.1</td><td>Direct emissions from stationary combustion</td><td>Fuel for generators, boilers and weeding machines</td></tr>
<tr><td>1.2</td><td>Direct emissions from mobile combustion</td><td>Fuel for mobile devices (office vehicles, fork-lifts)</td></tr>
<tr><td>1.4</td><td>Direct fugitive emissions from GHG released from manual systems.</td><td>Greenhouse gas emitted from septic tanks, stationary pollution source discharge pipes (VOCs), wastewater with anaerobic treatment, fire-fighting equipment, refrigerants, etc.</td></tr>
<tr><td>Scope 2</td><td>Indirect GHG emissions from imported energy</td><td>2.1</td><td>Indirect emissions from imported electricity</td><td>Purchased electricity</td></tr>
</table>
</td></tr>
<tr><td>9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies and concrete action plans (please fill in 1-1 and 1-2 separately)</td><td>Table 1-1 shows the status of greenhouse gas inventory and assurance, and table 1-2 is the reduction goals, strategies and specific action plans.</td></tr>
</table>

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Year	Scope	Total emissions (tons CO2e)	Intensity (tons CO2e/NTD million)
2022 (verification)	Scope 1	2,428.2	0.0050
	Scope 2	48,465.1	
2023 (verification)	Scope 1	551	0.0042
	Scope 2	28,268.7	

Scope of the above information covered: SAS Headquarters, Chunan Branch (Chunan Plant、Plant II), Yilan Branch (Plant I and III), Hsu-Hsin Branch.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

Year	Assurance scope	Assurance body	Assurance criteria	Assurance opinion
2022	SAS Headquarters, Chunan Branch, Chunan Plant, Hsu-Hsin Branch.	DNV GL Business Assurance Co., Ltd.	ISO 14064-1: 2018	Verified with reasonable level of assurance
	Plant I and III of Yilan Branch, SAS, and Sustainable Energy Solution Co., Ltd. (subsidiary)	DNV GL Business Assurance Co., Ltd.	ISO 14064-1: 2018	Verified with reasonable level of assurance
2023	SAS Headquarters, Chunan Branch, Chunan Plant, Hsu-Hsin Branch.	DNV GL Business Assurance Co., Ltd.	ISO 14064-1：2018	Verified with reasonable level of assurance
	Plant I and III of Yilan Branch, SAS, and Sustainable Energy Solution Co., Ltd. (subsidiary)	DNV GL Business Assurance Co., Ltd.	ISO 14064-1：2018	Verified with reasonable level of assurance

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

1. Base year and data of greenhouse gas reduction: 2022; based on declaration of verification
2. Reduction target: Reducing Scope 1 and Scope 2 greenhouse gas by 42% by 2030, and achieving net zero emission by 2050
3. Strategy: (1) voluntary inventory; (2) regular disclosure; (3) voluntary reduction
4. Concrete action plans: (1) Process improvement and product innovation; (2) Energy conservation improvement (2% per year); (3) Use of renewable energy; (4) Supply chain management; (5) Introduction of new recycling technology; (6) Purchase of carbon rights
5. Achievement of reduction target: The target year has not yet been achieved, and currently it is still in progress as planned (in line with expectations)

H. The Company's Performance of Ethical Corporate Management and the Measures Taken

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
I. Establishment of ethical corporate management policies and programs				
(I) Has the Company formulated the ethical corporate management approved by the Board of Directors, and stated in the regulations and external documents the policies and practices of ethical corporate management, as well as the Board and senior management's commitment to actively implement the management policy?	V		(I) The Company has the "Ethical Corporate Management Best-Practice Principles," "the Code of Ethical Conduct", as the guidelines adopted by the Board of Directors and "the Operational Procedures and Guidelines for Ethical Corporate Management" approved by the chairperson and "Reporting Illegal and Handling Measures for Cases of Unethical or Dishonest Conduct" to pursue ethical operation. The Company's standard contracts and external documents have informed the transaction counterparts to abide by the integrity management policy; the Board of Directors and senior management have signed a written statement to actively implement the commitment of the integrity management policy, and the Company has indeed implemented in internal management and business activities, including employment by specifying conditions to require employees to abide by the integrity management policy.	No significant difference
(II) Whether the Company has established an assessment mechanism for the risk of dishonesty, regularly analyzes and evaluates business activities with a high risk of dishonesty in the business scope, and accordingly formulates a plan to prevent dishonesty, and at least covers the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies "Article 7, paragraph 2 of the prevention measures?	V		(II) In the "Procedures for Ethical Management and Guidelines for Conduct", the Company has established a risk assessment mechanism for unethical conducts that are prescribed in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies". This mechanism involves collecting data by using departmental compliance checklist, qualitative interviews, and tracking of emails by the IT department, to regularly analyze, assess, and identify high-risk individuals, and conducting individual investigation if required, with the assistance of internal audit unit. Based on these results, prevention programs are established, including preventive measures against offering and acceptance of bribes, illegal political donations, improper benefits, infringement of intellectual property rights, and engaging in unfair competitive practices, among other unethical conducts, to ensure a corporate culture of ethical management. Within the scope of business activities, all employees are obliged to cooperate with the compliance office for the investigation related to the said unethical conducts.	No significant difference
(III) Whether the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	V		(III) The Company's plan for preventing dishonesty in accordance with "the Ethical Corporate Management Best-Practice Principle"" includes "Procedures for Ethical Management and Guidelines for Conduct", "Codes of Ethical Conduct ", and "Reporting Illegal and Handling Measures for Cases of Unethical or Dishonest Conduct" which clearly regulate no acceptance to any unrightful benefits, or to commit behaviors that violate integrity, and to encourage the reporting of any illegal or ethical conduct violations, the Company also stipulates the importance of	No significant difference

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			integrity should be regularly announced to directors and employees. The above plan regularly reviews the appropriateness and effectiveness of the prevention plan according to the method set by the risk assessment mechanism of dishonesty behavior, and makes appropriate adjustments or amendments. In 2023, the "Procedures for Handling Whistleblowing on Illegal, Unethical and Dishonest Conduct" were amended in accordance with the TPEx's "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies," to specify that the anonymous whistleblowing is permitted.	
II. Fulfill operations integrity policy (I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(I) The Company's "Ethical Corporate Management Best-Practice Principles" has clearly stated that before business transactions, the legality of business transactions and whether there is dishonesty should be considered, and transactions with persons involved in dishonesty should be avoided. In addition, according to the Company's "Procedures for Ethical Management and Guidelines for Conducts", it is necessary to undergo an integrity operation evaluation before establishing a business relationship with others. The customers evaluation (and its distributors/agents) is conducted by sales department; The suppliers' evaluation (and its distributors/agents) is conducted by purchase department. The integrity management evaluation form is written and quantified; the contract signed with the business transaction partners should specify the integrity management clauses to ensure that the counterparty abides by the company's integrity management policy.	No significant difference
(II) Does the Company set up a special unit for promoting corporate integrity management under the Board of Directors, and regularly (at least once a year) report to the Board of Directors on its integrity management policies and plans to prevent dishonesty, and monitor implementation?	V		(II) The Company has established a Legal Compliance Division in the Legal Department. The division is responsible for overseeing the promotion of ethical management policies and development and supervision of unethical conduct prevention programs. The Compliance Officer reports implementation status to the Board of Directors once a year, with the most recent report given on November 10, 2023. Auditors also supervise the progress of daily audits, and report to the Board of Directors at any time if any irregularities are found. Implementation Status of Current Year: A. Establishing and reviewing policies related to ethical corporate management. The Company has set up the "Ethical Corporate Management Best-Practice Principles", "Code of Ethical Conduct" and "Reporting Illegal and Handling Measures for Cases of Unethical or Dishonest Conduct", which clearly stipulates no acceptance to unrightful benefit, or violate integrity or dishonesty; the above internal regulations are examined by	No significant difference

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			the legal compliance department with reference of changes in external regulations and the internal implementation, and are adjusted and revised from time to time. In 2023, the "Procedures for Handling Whistleblowing on Illegal, Unethical and Dishonest Conduct" were amended in accordance with the TPEx's "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies," to specify that the anonymous whistleblowing is permitted. B. Internal and external advocacy of Company policies Relevant important internal regulations such as the "Ethical Corporate Management Best-Practice Principles", "Code of Ethical Conduct" and "Reporting Illegal and Handling Measures for Cases of Unethical or Dishonest Conduct" have been announced on the Company's official website and internal websites for inquiries from external and parties. In addition, the company requires suppliers to sign the "Supplier Code of Conduct and Supplier Commitment" which request suppliers to act in compliance with legal, ethical, environmental and quality standards, and the content of the standard contract signed with business partners also includes the relevant provisions for compliance with honest business practices. C. Reporting channel and whistleblower protection The company has set up the "Reporting Illegal and Handling Measures for Cases of Unethical or Dishonest Conduct", established a disciplinary and appeal system for violations of the integrity management regulations, and set up and announced employee suggestion boxes, electronic mailboxes and complaint hotline to encourage internal and external personnel to report dishonesty or misconduct. The company allows anonymous reports. The identity and content of the reporter will be kept confidential, and the human resource department will be responsible for verification and handling. Anyone who violates the integrity management regulations will be punished based on the seriousness of the circumstances, and if necessary, the matter shall be reported to the competent authority or transferred to the judicial bureaus for investigation. D. Education and training The Company formulates and conducts training regularly. The attendees and hours of trainings in 2023 are listed as the following: 1. Implement one-hour "insider education and training" for directors, officers at department level and above, and new employees; the content includes analysis of insider trading laws and regulations	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			(required components, disclosure methods and timing of material information, judicial insights) and analysis of laws and regulations on insider's equity changes (obligations of ante and post-declaration, and maintenance of percentage of shareholdings by directors and supervisors), with a total of 54 participants. 2. Implement two-hour "Ethical Management Education and Training" for directors, officers at department level and above, and new employees; the contents include trade secret protection, competition law, anti-corruption, preventing conflicts of interest, and export control, among other issues of key compliance with major laws and regulations closely related to the technology industry, with a total of 51 participants.	
(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(III) In our Code of Ethical Conduct, the Company stipulates that employees shall perform their duties in an objective and efficient manner, avoid taking advantage of their position in the company to obtain improper benefits for themselves, others, or other companies. Our Procedures for Ethical Management and Guidelines for Conduct also state that stakeholders attending or present at a board meeting shall recuse themselves from any discussion and voting when there is a conflict of interest. In addition, the conflict of interest channels provided by the company are different according to the subjects as follows: Directors or Independent Directors should do so to the president's office or the chief of corporate governance; managers should do so to the legal compliance department; other employees shall report to the line manager and compliance, and follow the line manager's proper instruction.	No significant difference
(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of integrity management, and the internal audit unit has formulated relevant audit plans based on the results of the assessment of the risk of dishonesty, and checked the compliance with the plan to prevent dishonesty, or entrust an accountant to perform the audit?	V		(IV) The Company has established an accounting system and internal control system, and implements both systems accordingly. Internal auditors draw up an audit plan including the subject, scope, items, and frequency of audit based on the assessment results of risks of unethical conducts, so as to inspect compliance with the prevention programs. The results shall be notified to the senior management team and the responsible department of ethical operation and be submitted to the Board of Directors in the form of audit report. In addition, the Company conducts inspections and revisions every year to ensure the effectiveness on the design and implementation of the system, and establish good corporate governance and risk management control mechanisms to serve as the basis on evaluating the overall efficacy of all internal control systems and for producing Internal Control System Statements.	No significant difference
(V) Does the company regularly hold internal and external educational trainings on operational integrity?	V		(V) The Company regularly formulate and conduct trainings, including laws and regulations related to corporate governance, ethical management, and business conducts. For "ethical management" and "prevention of	No significant difference

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			insider trading" courses, the current directors, managerial officers, or other employees deemed in need of such trainings shall attend at least every two years. New directors and managerial officers shall attend within three months upon taking positions. New recruits shall attend in the consolidated orientation prepared by the human resources. In addition, pursuant to the "Integrity Management Operating Procedure and Action Guideline," the Chairperson and the corporate governance supervisors are arranged to communicate the importance of ethic to directors, managerial officers, and supervisors in the Board meetings or supervisors' meetings. The relevant training courses offered in 2023 included "Insider Education and Training" and "Ethical Management Education and Training." For concrete content of the courses, please refer to the description in (II)(4) above. The cumulative number of participants was 105.	
III. Operation of the integrity channel (I) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(I) The Company has established the "Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct", set up an employee suggestion box and email, complaint hotline, principles in handling sych matter and channel for external whistleblowing in order to fulfill good faith practice. Whistleblower cases are handled by the company's spokesperson, HR manager, legal officers, or independent directors, and forwarded to relevant departments for investigation and processing in accordance with the Company's "Reporting Illegal and Handling Measures for Cases of Unethical or Dishonest Conduct." Appropriate rewards will be given to whistleblowers depending on the severity of the case.	No significant difference
(II) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	V		(II) The Company stipulates "Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct" and specifies different investigation, procedure based on different cases and the accused. Handlers shall recuse themselves if they have conflict of interest in a case and its investigation process. The whistleblowing case will be processed in the principles of confidentiality, full protection of the whistleblower, offering defense chance for the accused, etc to secure the rights of both whistleblowers and the accused. If the whistleblowing case is verified to be true, the whistleblower will be immediately required to stop and impose appropriate countermeasures, and instruct the relevant departments to review and propose improvement measures to prevent the same behavior from happening again; the legal department will separately report the whistleblowing case, handling and follow-up to the board of directors.	No significant difference
(III) Does the Company provide proper whistleblower protection?	V		(III) The Company handles whistle-blowing cases in a confidential manner in accordance with the "Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct", and offers full protection to the whistleblowers. Their identity will be kept absolutely confidential and will not face mistreatment	No significant difference

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>due to the whistleblowing. Case handlers shall also indicate in writing that whistleblower's identity and any details of the report will be kept confidential.</td><td></td></tr>
<tr><td>IV. Enhanced information disclosure
(I) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?</td><td>V</td><td></td><td>(I) The Company has an official website that disclose relevant information such as corporate culture, business policies and the “Ethical Corporate Management Best-Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, “Code of Ethical Conduct”, “Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct” and the Company’s implementation on good faith management.</td><td>No significant difference</td></tr>
<tr><td colspan="5">V. If the company has established the ethical corporate management policies based on the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies”, please describe any discrepancy between the policies and their implementation:
The Company has established the “Ethical Corporate Management Best-Practice Principles” which clearly regulates the matters to be followed by the Company's staff. Other accusation cases and penalties are also clearly set out in relevant measures. There is no significant difference between the policies and the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies.”</td></tr>
<tr><td colspan="5">VI. Other important information to facilitate a better understanding of the company’s ethical corporate management policies: (Such as reviewing and revising its ethical business codes, etc.)
1. The Company complies with Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest as well as relevant regulations for the listed companies or other business entities as basic premise for fulfilling good faith management. The Company also fully dedicates in environmental and quality policies by adopting high standards.
2. The Company has set up the “Regulations Governing the Prevention of Insider Trading” which stipulated that directors, supervisors, managers and employees must not disclose any material information to others. They must not inquire or collect undisclosed material information within the Company that are not related to personal duties, and shall not disclose to others any undisclosed material insider information that is not obtained from the execution of business activities during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.
3. The Company has set up the “Regulations Governing the Prevention of Insider Trading” which stipulates that upon actually knowing of any material information, the insiders, quasi-insiders and tippees shall not purchase or sell shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure in case accidentally violate insider trading because they are not familiar with the regulations. In addition, the “Procedure for Insider Trading Prevention” stipulates that directors, managerial officers, and natural persons designated as their proxy specified in Paragraph 1, Article 27 of the Company Act, shall not trade their shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports. The Company requested the President Office to inform the persons subject to the provisions the lock period forbidding trading after arranging dates of board meetings; the President Office also review the compliance of the concerned persons when reporting the equity every month.
4. The Company stipulates “Procedures for Handling Material Inside Information” to establish sound mechanisms for the handling and disclosure of material inside information in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by this Corporation to the public. The procedure regulates that no director, supervisor, managerial officer, or employee with knowledge of material inside information of the Company may divulge the information to others, nor inquire about or collect any non-public material inside information of this Company not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.
5. On November 10, 2023, the Board of Directors approved the 5th amendment to the "Procedures for Handling Whistleblowing on Illegal, Unethical and Dishonest Conduct" to align with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies," to specify that the anonymous whistleblowing is permitted.
6. On March 16, 2023, the Board of Directors of the Company approved the third amendment to the "Regulations Governing Compliance" to clarify that if any penalty incurs when any department is notified, penalized, or litigated by the competent authority, the recipients of the report shall report up to the accountable officers according to the nature and applicable laws (e.g., the Board of Directors), and aggregate these reports to disclose in the current year's sustainability report.</td></tr>
</table>

H. The company shall disclose the ways to make inquiries if it has implemented a set of corporate governance guidelines or related rules: The Company has formulated Corporate Governance Best Practice Principles and relevant measures are implemented in accordance with the spirit and norms of "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies." Please refer to the Investor Service Area on the Company's website (http://www.saswafer.com).

I. Other important information sufficient to enhance understanding of the operation of corporate governance should be disclosed together:

1. MOPS: http://mops.twse.com.tw
2. Website of the Company: https://www.saswafer.com (Investor section)
3. Directors' continuing education:
   The Board of Directors of the Company had all complete their further education according to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" specification

Title	Name	Training date	Sponsored by	Training Course	Training Hours
Chairperson	Hsiu-Lan Hsu	2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit	6
		2023/07/06	Taiwan Corporation Governance Association	The Trend of ESG and Global Net Zero	3
		2023/11/27	Taiwan Corporation Governance Association	Corporate Governance and Securities Laws and Regulations	3
Director	Ming-Kuang Lu	2023/07/06	Taiwan Corporation Governance Association	The Role of Directors under Corporate Governance 3.0 and the Compliance Response to Challenges of Management Right	3
		2023/07/11	Taiwan Corporation Governance Association	Risk management and internal control	3
		2023/07/20	Taiwan Corporation Governance Association	ESG sharing symposium for TPEx-listed companies	3
		2023/07/27	Taiwan Corporation Governance Association	The role of financial decision making in business operation	3
		2023/10/30	Taiwan Corporation Governance Association	Attentions required in corporate mergers and acquisitions	3
Director	Tang-Liang Yao	2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Banking and Climate Change Summit	6
		2023/11/27	Taiwan Corporation Governance Association	Corporate Governance and Securities Laws and Regulations	3
Director	Wen-Huei Tsai	2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Banking and Climate Change Summit	6
Director	Feng-Ming Chang	2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Banking and Climate Change Summit	6
Director	Kai Jiang Co., Ltd Representative: Hau Fang	2023/07/06	Taiwan Corporation Governance Association	The Role of Directors under Corporate Governance 3.0 and the Compliance Response to Challenges of Management Right	3

Title	Name	Training date	Sponsored by	Training Course	Training Hours
		2023/07/11	Taiwan Corporation Governance Association	Risk management and internal control	3
Director	Kun Chang Investment Co., Ltd Representative: Edward Andrew Ow	2023/04/27	Taipei Exchange	Promotional Seminar of Sustainable Development Action Plan for TWSE/TPEx-listed Companies	3
		2023/07/04	Taiwan Corporation Governance Association	2023 Cathay Sustainable Banking and Climate Change Summit	3
Independent Director	Jin-Tang Liu	2023/02/20	The Greater Chinese Financial Development Association	Building a resilient supply chain for corporates	3
		2023/03/10	Taiwan Corporation Governance Association	The strange situation of the global economy in 2023	1
		2023/03/15	The Greater Chinese Financial Development Association	Challenges and opportunities of AI and big data	3
		2023/04/13	Taiwan Institute of Directors	2023 KPMG Leadership Academy Forum - Business Opportunities and Challenges of the Net Zero Upsurge	3
		2023/05/25	Taiwan Corporation Governance Association	Driving ESG by enhancing the board of directors - Case study on the connection between executives' remunerations and ESG performance	1
		2023/08/30	Taiwan Corporation Governance Association	ChatGPT's impact on the industry and countermeasures	1
		2023/10/04	Taipei Bar Association	2023 Corporate Governance Forum - Corporate Governance Seminar for Groups	3
		2023/11/09	Taiwan Institute of Directors	Exploration on the Synergies of Corporate Mergers and Acquisitions, and Analysis of Transaction Execution Practice	3
		2023/11/16	Accounting Research and Development Foundation, ROC	2023 ESG Summit - Carbon Inventory and Carbon Management	3
		2023/11/16	Accounting Research and Development Foundation, ROC	2023 ESG Summit - Digital Technology and Sustainable Transformation	3
		2023/12/28	Taiwan Corporation Governance Association	Supereme Accounting and Corporate Governance	1
Independent Director	Hou-Chung Kuo	2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Banking and Climate Change Summit	6
Independent Director	Shao-Lun Li	2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Banking and Climate Change Summit	6
Independent Director	Chien-Yong Ma	2023/05/05	Taiwan Corporation Governance Association	International Practice of Sustainable and Smart Bi-axial Transformation: Beacon Factory	3
		2023/11/09	Taiwan Corporation Governance Association	Global Trend Analysis - Risks and Opportunities	3

4. Continuing education for corporate governance:

Title	Name	Training date	Sponsored by	Course Name	Number of Training Hours
Corporate Governance Supervisor	Ming-Huei Chien	2023/04/27	Taiwan Stock Exchange Taipei Exchange	Promotional Seminar of Sustainable Development Action Plan for TWSE/TPEx-listed Companies	3
		2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Banking and Climate Change Summit	6
		2023/11/14	Taiwan Corporation Governance Association	6th Global Corporate Sustainability Forum 1-2	3

J. Internal Control System Execution Status

1. Statement of Internal Control System

Sino-American Silicon Products Inc.

Internal Control Disclosure Statement

Date: February 29, 2024

Based on the findings of a self-assessment, Sino-American Silicon Products Inc. states the following with regard to its internal control system during the year 2023:

I. Sino-American Silicon Products incorporation's Board of Directors and Management are responsible for establishing, implementing, and maintaining an adequate internal control system. The aim of the system is to provide reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguarding of asset security), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Sino-American Silicon Products Inc. takes immediate remedial actions in response to any identified deficiencies.

III. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring. Each element further contains several items. For more information on the aforementioned items, see the Regulations.

IV. Sino-American Silicon Products Inc. has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.

V. Based on the findings of such evaluation, Sino-American Silicon Products Inc. believes that on December 31, 2023[Note 2], we have maintained, in all material respects an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations.

VI. This Statement will be an integral part of Sino-American Silicon Products incorporation's Annual Report for the year 2022 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement has been passed by the Board of Directors in the meeting held on February 29, 2024, with none of the eleven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Sino-American Silicon Products Inc.

Chairperson Hsiu-Lan Hsu

Vice Chairperson: Tang-Liang Yao

President: Chen-Chien Chen

Note 1: Design and implementation of a public company's internal control system, as there are significant deficiency in the year, the internal control system statement should be added explanatory note in the Article 4 that list and explain the significant lack discovery of self-assessment, and the company taken the corrective action to improve the situation before the data of balance sheet.

Note 2: Date of declaration as "the end of fiscal year ".

2. Internal audit organization and operation

The auditing unit of the Company is affiliated to the Board of Directors, and the appointment or removal of the chief internal auditor must be examined by the Audit Committee and sent to the Board of Directors for approval. The Company should report by the Internet Information System for reference in accordance with the provisions of the Financial Regulatory Commission 10 days in the next month after the approval of the Board of Directors. There is currently one chief internal auditor (department manager) and two auditors.

The auditing unit makes an annual audit plan based on the results of risk evaluation, including items to be audited each month. It does carry out audit operations in accordance with the annual audit plan, so as to check the internal control system of the Company.

The Company has set up an Audit Committee, all of which are composed of independent Directors. When submitting the annual audit plan to the Audit Committee for discussion according to regulations, the opinions of independent Directors have been fully taken into account. After each audit, the audit report is made, and the working manuscript and related information are attached. The deficiencies and improvement suggestions will be reported to the management. The audit findings are disclosed in the audit report according to the facts and tracked after the report has been audited at least on a quarterly basis. A tracking report is made until improvement, in order to confirm that the relevant units have taken appropriate improvement measures in time. Members of the Company's Audit Committee communicate well with the chief internal auditor.

The Company's CPAs report the results of the audit or review of the current quarter's financial statements at quarterly meetings of the Audit Committee, as well as other communication matters required by relevant laws and regulations. Members of the Company's Audit Committee communicate well with CPAs.

3. CPA audit report should be disclosed If CPA is entrusted to perform internal audit: Not applicable.

K. Punishment of the Company and its internal personnel according to law, the Company's punishment of internal personnel due to the violation of provisions of the internal control system, the main deficiencies and improvements in recent years and up to the date of publication of the annual report: No such situation.

L. As of the date of this Annual Report, the following resolutions are adopted regarding annual shareholders' meeting and Board of Directors Meeting:

1. Important resolutions and implementation of 2023 Shareholders' Meeting (June 21, 2023):

Important resolutions	Implementation Status
1. Approved the amendments to the "Operational Procedures for Loaning of Funds to Others"	Implemented as the latest amended provisions upon the resolution of the shareholders' meeting.
2. Approved amendments to the "Procedures for Providing Endorsement/Guarantee"	Implemented as the latest amended provisions upon the resolution of the shareholders' meeting.
3. To meet the Company's financial needs, it is proposed to handle public or private offerings of securities.	The Board of Directors approved it officially on February 29, 2024. Such offerings will not be handled with due consideration to the whole fund.
4. Approved the ratification of the 2022 business report, financial statements and earnings distribution table	Resolve by the General Shareholders' Meeting.
5. Full re-election of directors	After being elected by the shareholders' meeting, the registration was approved by the Hsinchu Science Park Bureau, National Science and Technology Council on July 6, 2023.
6. Approved to release new directors from the non-competition restrictions	Released new directors from the non-competition restrictions as resolved by the shareholders' meeting

2. Important resolutions of the Board of Directors:

Date	Important resolutions
2023.03.14	1. The Company's proposal to participate in the subscription of private ordinary shares of Billion Electric Co. Ltd.
2023.03.16	1. Proposal to extend the subscription of private unsecured ordinary corporate bonds of Crystalwise Technology Inc. 2. Employee Remuneration and Director Remuneration Distribution Plan of the Company of 2022. 3. The Company's Business Report and Financial Statements of 2022. 4. Evaluation of CPA independence and competence and CPA appointment. 5. Declaration of Internal Control System of 2022. 6. Amended the Company's "Lending Funds to Other Parties". 7. Amended the Company's "Procedures for Endorsement and Guarantee" 8. Amended the Company's "Operating Procedure for Transactions of Group Members and Specific Companies with Related Parties". 9. Amended the Company's "Rules of Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises". 10. Amended the Company's "Rules of Sino-American Silicon Governing its Subsidiaries". 11. Amendment to the Company's "Measures for Compliance." 12. Non-handling of the issuance of new shares for private capital increase upon expiration. 13. Proposal to handle public or private offerings of securities to meet the Company's financial needs. 14. Proposal for re-election directors. 15. Proposal to remove non-compete clause for newly elected directors. 16. Proposal for nomination of directors (including independent directors) candidates and review of candidate list. 17. Relevant matters concerning the convening of the 2023 General meeting of Shareholders and proposals and nominations submitted by shareholders. 18. Proposal to Loan of Funds to Sub-subsidiary Sulu Electric Power and Light. 19. Provision of Credit Quota and Foreign Exchange Quota by Financial Institution. 20. The Company and the subsidiaries' overdue receivable were all actual transactions, so such receivables need not to transfer to loaning of funds to others.
2023.03.31	1. Proposal for the appointment of the Company's President. 2. Proposal for remuneration of the Company's newly appointed President.
2023.05.02	1. The Company intended to approve the share conversion between GlobalWafers Co., Ltd. and Crystalwise Technology Inc.
2023.05.05	1. The Company's Q1 2023 consolidated financial statements 2. The 2022 earnings distribution table of the Company, and the earnings distribution proposal for H2 2022

	3. Proposal to amend the Company's "Internal Control System" 4. Serving as Guarantor for loans of 100%-owned subsidiaries from financial institutions 5. Proposal of loaning of funds to a 100%-owned subsidiary 6. Proposal to issue the Letter of Support. 7. Provision of credit and foreign exchange facilities by financial institutions 8. The overdue payment for more than three months of the Company and its subsidiaries are actual transactions, and thus not required to transferred to as loaning of funds to others. 9. Released the Company’s managerial officers from the non-competition restrictions 10. 2022 distribution of remuneration to directors 11. 2022 distribution of remuneration to managerial officers
2023.06.21	1. Election of Chairperson 2. Election of Vice Chairperson 3. Appointment of the 5th Remuneration Committee members 4. Appointment of the 2nd Nomination Committee members
2023.08.04	1. The Company's Q2 2023 consolidated financial statements 2. Provision of credit and foreign exchange facilities by financial institutions 3. Proposal of loaning of funds to a 100%-owned subsidiary 4. The overdue payment for more than three months of the Company and its subsidiaries are actual transactions, and thus not required to transferred to as loaning of funds to others. 5. Proposal of the attestation fees to CPAs for 2023 and 2024 6. Proposal of subscribe the new shares for cash capital increase of Actron Technology Corporation 7. Replacement of the custodians of the dedicated seals for endorsement/guarantee
2023.09.21	1. Proposal of subscribe the new shares for cash capital increase of Actron Technology Corporation
2023.11.10	1. The Company's Q3 2023 consolidated financial statements 2. Provision of credit and foreign exchange facilities by financial institutions 3. The 2024 internal audit plan 4. Proposal to amend the Company's "Internal Control System" 5. Amendments to the Company's "Corporate Governance Best Practice Principles" 6. Proposal to amend the Company's "Procedures for Handling Whistleblowing on Illegal, Unethical and Dishonest Conduct" 7. Formulation of the Company's "Information Security Management Policy" 8. The overdue payment for more than three months of the Company and its subsidiaries are actual transactions, and thus not required to transferred to as loaning of funds to others. 9. For the proposal to provide endorsement/guarantee for the bank loans of a subsidiary, as the net worth of the subsidiary for Q3 2023 fell under a half of its

	paid-in capital, the follow-up control measures are formulated pursuant to the Company’s Regulations Governing Endorsement/Guarantee 10. Proposal for employees’ promotion
2023.12.15	1. Formulation of the Company's 2024 business plan 2. Distribution of earnings for the first half of 2023 3. Provision of credit and foreign exchange facilities by financial institutions 4. Formulation of the Company's "Corporate Sustainable Development Policy" 5. Proposal to amend the Company’s “General Principles on Pre-Approval Policy for Non-Assurance Services” 6. Reappointment of the Corporate Governance Officer
2023.12.26	1. Proposal of loaning of funds to subsidiaries
2024.02.29	1. 2023 distribution of remunerations to employees and directors 2. The Company's 2023 business report and financial statements 3. Replacement of CPAs to cope with the internal business adjustment of the accounting firm 4. Proposal of the Company's 2023 "Statement of the Internal Control System" 5. Amendments to the Company's "Operational Procedures for Engaging in Derivative Trading" 6. Amendments to the Company's "Rules of Procedure for Board of Directors Meetings" 7. Amendments to the Company's "Audit Committee Charter" 8. Proposal to amend the Company's "General Principles and Methods for Pre-approving Non-assurance Service Policy" 9. Proposal to terminate the private placement of new shares for capital increase at the expiration 10. To meet the Company's capital needs, it is intended to conduct public or private placements of securities 11. Relevant Matters concerning the agenda of the 2024 regular shareholders' meeting and the acceptance of proposals from shareholders 12. Proposal of loaning of funds to subsidiaries 13. Serving as Guarantor for loans of 100%-owned subsidiaries from financial institutions 14. Provision of credit and foreign exchange facilities by financial institutions 15. Provision of mid-term credit facilities by financial institutions 16. The overdue payment for more than three months of the Company and its subsidiaries are actual transactions, and thus not required to transferred to as loaning of funds to others. 17. Amendments to the Company's "Regulations Governing the Remuneration of Managerial Officers" 18. Establishment of branches and appointment of branch managers 19. Proposal for employees’ promotion

	20. Proposal of appointments of employees

M. The main content when Directors and supervisors disagree with the adoption of important resolutions by the Board of Directors in recent years and up to the date of publication of the annual report and have recorded or written statements: No such situation.

N. A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's Chairperson, President, principal accounting officer, principal financial officer, chief internal auditor, corporate governance supervisors and principal research and development officer:

April 30, 2024

Title	Name	Date of Arrival	Date of Dismissal	Reasons for Resignation or Dismissal
Corporate Governance Officer	Ming-Huei Chien	2019.05.09	2023.12.15	Reassigned

IV. Service Fees of Accountants

Unit of amount: NT$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Note
KPMG United Accounting Firm	An-chih Cheng	2023.01-2023.12	5,055	1,080	6,135	Non-audit fees are transfer pricing, industrial and business registration, and tax attestation services
	Mei-Yu Tseng	2023.01-2023.12				

A. If the accounting firm is replaced and the audit fee paid in the replacement year is less than that paid in the previous year, the amount, reasons for the reduction before and after replacement should be disclosed: None.

B. If the audit fees have decreased by more than 10% compared to the previous year, the amount, ratio, and reason for the reduction in audit expense should be disclosed: None.

V. Information on Replacement of Independent Auditors

The Company has replaced its CPA in cooperation with KPMG's internal business adjustment the last two fiscal years. The Company did not change its accounting firm.

VI. Name, professional title and employment in the firm of CPA or his/her related enterprise of the Chairperson, President, Finance or Accounting Manager Who Has Worked in the Accounting Firm or Affiliates in the Most Recent Year, the Name, Position and the Service Period Shall Be Disclosed

None.

VII. Share Transfers and Share Pledging by Directors, Supervisors, Managers and Shareholders Holding More than 10% Equity in the Past Year and Up to the Printing Date of This Annual Report

A. Changes in shareholding rights of directors, supervisors, managers and shareholders with a shareholding ratio of more than 10%.

Title	Name	2023		As of April 30, 2024		Note
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	
Chairperson	Hsiu-Lan Hsu	0	0	0	0	CEO of the Company
Vice Chairperson	Tang-Liang Yao	0	0	(110,000)	0	
Director	Ming-Kuang Lu	(559,000)	0	(140,000)	0	
Director	Wen-Huei Tsai	0	0	0	0	
Director	Feng-Ming Chang	0	0	0	0	
Director	Kai Jiang Co., Ltd. Representative: Hau Fang	30,000 0	0 0	20,000 0	0 0	
Director	Kun Chang Investment Co., Ltd. Representative: Edward Andrew Ow	0 0	0 0	0 0	0 0	
Independent Director	Jin-Tang Liu	0	0	0	0	
Independent Director	Hou-Chung Kuo	0	0	0	0	
Independent Director	Shao-Lun Li	0	0	0	0	
Independent Director	Chien-Yong Ma	0	0	0	0	Elected on June 21, 2023
President	Chen-Chien Chen	0	0	0	0	Appointed on 2023.04.03
Manager	Hau-Chun Shih	0	0	0	0	
Manager	Chung-Wei Lee	0	0	0	0	
Manager	Pei-Yi Chen	0	0	0	0	
Accounting Department Chief	Hsiu-Ling Hsu	0	0	0	0	

Note 1: Shareholders holding more than 10% of the total shares of the Company should be identified as major shareholders and listed separately.
Note 2: If the relative person concerned in the transfer or pledge of shares is a related party, the following table should be filled out.

B. Shares Trading with Related Parties: None.

C. Shares Pledge with Related Parties: None.

VIII. Information Regarding the Relationship among the Top Ten Shareholders Who are Related Parties in the Financial Accounting Standards Bulletin No. 6

April 22, 2024

Name	Principal Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of Others		Names or names and relationships of the top ten shareholders who have relations with each other or are spouses or relatives within the second degree of kinship.		Note
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Company Name (or name)	Relationship	
Dedicated account for CAPITAL TIP Taiwan Select High Dividend ETF	44,357,000	7.57%	0	0	0	0	None	None	
Dedicated securities investment trust fund account for Yuanta Taiwan Value High Dividend ETF in the custody of Hua Nan Bank	27,257,000	4.65%	0	0	0	0	None	None	
Hondwang Investment Co., Ltd.	25,050,000	4.27%	0	0	0	0	None	None	
Representative of Hongwang Investment Co., Ltd.: Jiang Sulan	0	0	0	0	0	0	None	None	
Dedicated securities investment trust fund account for Fuh Hwa Taiwan Technology Dividend Highlight ETF in the custody of Taipei Fubon Commercial Bank Co., Ltd	21,888,000	3.73%	0	0	0	0	None	None	
Weilian Technology Co., Ltd.	13,114,000	2.24%	0	0	0	0	None	None	
Representativeof Weilian Technology Co., Ltd.: Jiang Sulan	0	0	0	0	0	0	None	None	
Cathay Life Insurance Co., Ltd.	12,184,000	2.08%	0	0	0	0	None	None	
Representativeof Cathay Life Insurance Co., Ltd.: Huang Tiaogui	0	0	0	0	0	0	None	None	
Ching-Chao Chang	11,900,000	2.03%	0	0	0	0	None	None	
Ming-Kuang Lu	11,025,000	1.88%	1,171,685	0.20%	0	0	None	None	
Hongmao Investment Co., Ltd.	10,425,000	1.78%	0	0	0	0	None	None	
Representativeof Hongmao Investment Co., Ltd.: Jiang Sulan	0	0	0	0	0	0	None	None	
India West Select Master Fund Co., Ltd. Investment Account in the custody of HSBC (Taiwan) Commercial Bank Co., Ltd.	9,087,600	1.55%	0	0	0	0	None	None	

IX. Total Numbers and Equity of Shares Held in any Single Enterprise by the Company, Directors, Supervisors, Managers and Any Companies Controlled Either Directly or Indirectly by the Company

December 31, 2023, Unit: thousand shares; %

Reinvestment (Note 1)	Investment of the Company		Investments directly or indirectly controlled by directors, supervisors and managers		Total investment	
	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage
Sino Silicon Technology Inc.	48,526	100.00%	-	-	48,526	100.00%
GlobalWafers Co., Ltd.	223,008	51.14%	-	-	223,008	51.14%
AleoSolar GmbH	(Note 2)	100.00%	-	-	(Note 2)	100.00%
SAS Sunrise Inc.	24,500	100.00%	-	-	24,500	100.00%
SAS Capital Co., Ltd.	65,000	100.00%	-	-	65,000	100.00%
Accusolar Power Co., Ltd.	7,452	24.70%	-	-	7,452	24.70%
Taiwan Speciality Chemicals Corporation	41,590	30.09%	-	-	41,590	30.09%
Advanced Wireless Semiconductor Company	54,287	27.62%	-	-	54,287	27.62%
Actron Technology Corporation	24,935	24.58%	-	-	24,935	24.58%
Sunrise PV Three Co., Ltd.	1,500	100.00%	-	-	1,500	100.00%
Sustainable Energy Solution Co., Ltd.	2,000	100.00%			2,000	100.00%
Sustainable Hydropower Energy Co., Ltd	383	51.00%	—	—	383	51.005
AMLED International Systems Inc.	-	-	-	-	-	-
Sulu Electric Power and Light Inc.	-	-	892,500	85.00%	892,500	85.00%
Aleo Solar Distribuzione Italia S.r.l	-	-	(Note 2)	100.00%	(Note 2)	100.00%

Note 1: The Company's investment is based on equity method.
Note 2: Limited company, number of shares unavailable.

December 31, 2023, Unit: thousand shares; %

Reinvestment (Note 1)	Investment of the Company		Investments directly or indirectly controlled by directors, supervisors and managers		Total investment	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding percentage	Number of Shares	Shareholding Ratio
Global Semiconductor Inc.	-	-	23,000	100.00%	23,000	100.00%
GlobalWafers Japan Co., Ltd.	-	-	128	100.00%	128	100.00%
GlobalWafers GmbH			48,025	100.00%	48,025	100.00%
GlobalWafers Singapore Pte. Ltd.	-	-	41,674	100.00%	41,674	100.00%
GlobalWafers B.V.	-	-	0.1	100.00%	0.1	100.00%
Sunrise PV Four Co., Ltd.	-	-	104,500	100.00%	104,500	100.00%
Sunrise PV Electric Power Five Co., Ltd.	-	-	27,800	100.00%	27,800	100.00%
GWC Capital Co., Ltd.	-	-	25,000	100.00%	25,000	100.00%
Crystalwise Co., Ltd.	-	-	43,836	100.00%	43,836	100.00%
Crystalwise Technology (HK) Limited	-	-	48,100	100.00%	48,100	100.00%
Yuan Hong Technical Materials Ltd. (YHTM)	-	-	(Note 2)	100.00%	(Note 2)	100.00%
Kunshan Sino Silicon Technology Co., Ltd.	-	-	(Note 2)	100.00%	(Note 2)	100.00%
MEMC Electronic Materials Sdn.Bhd.	-	-	1,036	100.00%	1,036	100.00%
Kunshan Chenju Electronic Technology Co., Ltd.			(Note 2)	100.00%	(Note 2)	100.00%
Shanghai Sawyer Shenkai Technology Material Co., Ltd.	-	-	(Note 2)	100.00%	(Note 2)	100.00%
Xinzhou Yuanhong Information Material Co., Ltd.	-	-	(Note 2)	90.00%	(Note 2)	90.00%
MEMC Japan Ltd.	-	-	750	100.00%	750	100.00%
MEMC Electronic Materials S.p.A.	-	-	65,000	100.00%	65,000	100.00%
MEMC Electronic Materials France SarL	-	-	0.5	100.00%	0.5	100.00%
GlobiTech Incorporated.	-	-	1	100.00%	1	100.00%
MEMC LLC	-	-	-	100.00%	-	100.00%
GlobalWafers America, LLC			1	100.00%	1	100.00%
MEMC Korea Company	-	-	25,200	100.00%	25,200	100.00%
MEMC Ipoh Sdn.Bhd.			612,300	100.00%	612,300	100.00%
Topsil GlobalWafers A/S	-	-	1,000	100.00%	1,000	100.00%
Ding-Wei Technology Co., Ltd.	-	-	15,000	100.00%	15,000	100.00%
Smooth International Limited Corporation	-	-	12,000	100.00%	12,000	100.00%
Smooth Autocomponent Limited	-	-	12,000	100.00%	12,000	100.00%
Actron Technology (Qing Dao) Corporation	-	-	(Note 2)	100.00%	(Note 2)	100.00%
Rec Technology Corp.	-	-	8,488	49.35%	8,488	49.35%
Big best Solutions, Inc.	-	-	19,314	27.59%	19,314	27.59%
Mosel Vitelic Inc.	-	-	46,925	29.86%	46,925	29.86%
ENMOS TECHNOLOGY INC	-	-	9,114	80.24%	9,114	80.00%
Mao Fu Development Co. Ltd.	-	-	12,012	100.00%	12,012	100.00%
Baode Investment Co., Ltd.	-	-	6,400	46.71%	6,400	46.71%
Giant Haven Investments Limited	-	-	2	100.00%	2	100.00%
Hong-Wang Investment Company	-	-	60,976	60.98%	60,976	60.98%

Note 1: The Company's investment is based on equity method.
Note 2: Limited company, number of shares unavailable.

IV. Capital Overview

I. Capital and Shares

A. Source of Capital:

1. The formation of capital

Unit: NT$/share

Month/ Year	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1981/01	10	10,800,000	108,000,000	6,044,663	60,446,630	Capital increased by cash 38,902,043	21,544,587	
1984/08	10	10,800,000	108,000,000	10,800,000	108,000,000	Capital increased by cash by 111,946	47,441,424	
1984/11	10	14,000,000	140,000,000	14,000,000	140,000,000	Capital increased by cash 32,000,000	None	
1990/04	10	30,000,000	300,000,000	30,000,000	300,000,000	Capital increased by cash 160,000,000	None	Note (1)
1995/11	10	60,000,000	600,000,000	40,000,000	400,000,000	Capital increased by cash 100,000,000	None	Note (2)
1998/02	10	60,000,000	600,000,000	60,000,000	600,000,000	Capital increased by cash 200,000,000	None	Note (3)
1998/08	10	63,000,000	630,000,000	63,000,000	630,000,000	Conversion of capital reserve 30,000,000	None	Note (4)
1999/12	10	78,000,000	780,000,000	78,000,000	780,000,000	Capital increased by cash 150,000,000	None	Note (5)
2000/10	10	86,421,000	864,210,000	86,421,000	864,210,000	Conversion of surplus, capital reserve and employee dividend to capital increase 84,210,000	None	Note (6)
2001/10	10	170,000,000	1,700,000,000	100,857,250	1,008,572,500	Conversion of surplus and employee dividend to capital increase 144,362,500	None	Note (7)
2002/10	10	170,000,000	1,700,000,000	105,350,000	1,053,500,000	Conversion of surplus and employee dividend to capital increase 44,927,500	None	Note (8)
2003/09	10	170,000,000	1,700,000,000	109,706,100	1,097,061,000	Conversion of surplus, capital reserve and employee dividend to capital increase 43,561,000	None	Note (9)
2004/09	10	170,000,000	1,700,000,000	114,593,000	1,145,930,000	Conversion of surplus and employee dividend to capital increase	None	Note (10)

						48,869,000		
2005/09	10	170,000,000	1,700,000,000	122,300,000	1,223,000,000	Conversion of surplus and employee dividend to capital increase 77,070,000	None	Note (11)
2005/10	10	170,000,000	1,700,000,000	152,300,000	1,523,000,000	Capital increased by cash 300,000,000	None	Note (12)
2006/09	10	250,000,000	2,500,000,000	161,000,000	1,610,000,000	Conversion of surplus, capital reserve and employee dividend to capital increase 87,000,000	None	Note (13)
2006/10	10	250,000,000	2,500,000,000	181,000,000	1,810,000,000	Capital increased by cash 200,000,000	None	Note (14)
2006/10	10	250,000,000	2,500,000,000	183,289,000	1,832,890,000	Warrants Conversion stock 22,890,000	None	Note (15)
2007/03	10	250,000,000	2,500,000,000	183,692,000	1,836,920,000	Warrants Conversion stock 4,030,000	None	Note (16)
2007/05	10	250,000,000	2,500,000,000	186,506,000	1,865,060,000	Warrants Conversion stock 28,140,000	None	Note (17)
2007/09	10	250,000,000	2,500,000,000	186,831,000	1,868,310,000	Warrants Conversion stock 3,250,000	None	Note (18)
2007/09	10	250,000,000	2,500,000,000	197,241,300	1,972,413,000	Conversion of surplus and employee dividend to capital increase 104,103,000	None	Note (19)
2007/12	10	250,000,000	2,500,000,000	198,366,300	1,983,663,000	Warrants Conversion stock 11,250,000	None	Note (20)
2008/02	10	250,000,000	2,500,000,000	198,386,300	1,983,863,000	Warrants Conversion stock 200,000	None	Note (21)
2008/05	10	250,000,000	2,500,000,000	199,107,700	1,991,077,000	Warrants Conversion stock 7,214,000	None	Note (22)
2008/09	10	250,000,000	2,500,000,000	210,426,710	2,104,267,100	Conversion of surplus and employee dividend to capital increase 110,860,100 Warrants Conversion stock 2,330,000	None	Note (23)
2008/10	10	250,000,000	2,500,000,000	220,426,710	2,204,267,100	Capital increased by cash 100,000,000	None	Note (24)
2008/12	10	250,000,000	2,500,000,000	221,177,710	2,221,777,100	Warrants Conversion stock 7,510,000	None	Note (25)
2009/04	10	250,000,000	2,500,000,000	221,233,710	2,212,337,100	Warrants Conversion stock 560,000	None	Note (26)
2009/05	10	250,000,000	2,500,000,000	221,923,110	2,219,231,100	Warrants Conversion stock 6,894,000	None	Note (27)
2009/08	10	350,000,000	3,500,000,000	267,929,276	2,679,292,760	Conversion of surplus and	None	Note (28)

						employee dividend to capital increase 460,061,660		
2009/08	10	350,000,000	3,500,000,000	299,179,276	2,991,792,760	Capital increased by cash 312,500,000	None	Note (29)
2009/09	10	350,000,000	3,500,000,000	299,317,276	2,993,172,760	Warrants Conversion stock 1,380,000	None	Note (30)
2009/11	10	350,000,000	3,500,000,000	299,441,276	2,994,412,760	Warrants Conversion stock 1,240,000	None	Note (31)
2010/03	10	350,000,000	3,500,000,000	299,479,276	2,994,792,760	Warrants Conversion stock 380,000	None	Note (32)
2010/04	10	350,000,000	3,500,000,000	299,626,276	2,996,262,760	Warrants Conversion stock 1,470,000	None	Note (33)
2010/07	10	350,000,000	3,500,000,000	321,025,580	3,210,255,800	Conversion of surplus and employee dividend to capital increase 213,993,040	None	Note (34)
2010/10	10	500,000,000	5,000,000,000	382,025,580	3,820,255,800	Capital increased by cash 610,000,000	None	Note (35)
2011/05	10	500,000,000	5,000,000,000	402,132,190	4,021,321,900	Stock exchange 201,066,100	None	Note (36)
2011/08	10	600,000,000	6,000,000,000	423,119,081	4,231,190,810	Conversion of surplus and employee dividend to capital increase 209,868,910	None	Note (37)
2011/11	10	600,000,000	6,000,000,000	443,119,081	4,431,190,810	Capital increased by cash 200,000,000	None	Note (38)
2012/08	10	800,000,000	8,000,000,000	523,119,081	5,231,190,810	Capital increased by cash 800,000,000	None	Note (39)
2014/05	10	800,000,000	8,000,000,000	523,143,081	5,231,430,810	Warrants Conversion stock 240,000	None	Note (40)
2014/08	10	800,000,000	8,000,000,000	580,031,151	5,800,311,510	Consolidated new issue of Sunriseglobal shares 568,880,700	None	Note (41)
2017/10	10	800,000,000	8,000,000,000	592,093,651	5,920,936,510	Warrants Conversion stock 60,625,000 Restricted stock awards 60,000,000	None	Note (42)
2018/01	10	800,000,000	8,000,000,000	592,058,651	5,920,586,510	Revoked 350,000 shares of restricted share awards	None	Note (43)
2018/10	10	800,000,000	8,000,000,000	586,503,651	5,865,036,510	Capital injection and reduction of treasury stock 55,550,000	None	Note (44)
2018/12	10	800,000,000	8,000,000,000	586,320,651	5,863,206,510	Revoked 1,830,000 shares of restricted share awards	None	Note (45)
2019/04	10	800,000,000	8,000,000,000	586,287,651	5,862,876,510	Revoked 330,000 shares of restricted share awards	None	Note (46)
2019/08	10	800,000,000	8,000,000,000	586,236,651	5,862,366,510	Revoked 510,000 shares of restricted share awards	None	Note (47)

2020/03	10	800,000,000	8,000,000,000	586,221,651	5,862,216,510	Revoked 150,000 shares of restricted share awards	None	Note (48)

Note (1) Tai Cai Zheng (1) Approval Letter No. 02824 of October 26th, 1990 (1990) of the Securities Management Committee, Ministry of Finance.

Note (2) Tai Cai Zheng (1) Approval Letter No. 39204 of December 4th, 1995 (1995) of the Securities Management Committee, Ministry of Finance.

Note (3) Tai Cai Zheng (1) Approval Letter No. 85459 of November 27th, 1997 (1997) of Securities and Futures Commission, Ministry of Finance.

Note (4) Tai Cai Zheng (1) Approval Letter No. 58663 of July 10th, 1998 (1998) of Securities and Futures Commission, Ministry of Finance.

Note (5) Tai Cai Zheng (1) Approval Letter No. 93634 of October 26th, 1999 (1999) of Securities and Futures Commission, Ministry of Finance.

Note (6) Tai Cai Zheng (1) Approval Letter No. 83396 of October 6th, 2000 (2000) of Securities and Futures Commission, Ministry of Finance.

Note (7) Tai Cai Zheng (1) Approval Letter No. 140364 of June 26th, 2001 (2001) of Securities and Futures Commission, Ministry of Finance.

Note (8) Tai Cai Zheng Yi Zi Approval Letter No. 0910144515 of August 9th, 2002 (2002) of Securities and Futures Commission, Ministry of Finance.

Note (9) Tai Cai Zheng Yi Zi Approval Letter No. 0920133758 of July 25th, 2003 (2003) of Securities and Futures Commission, Ministry of Finance.

Note (10) Tai Cai Zheng Yi Zi Approval Letter No. 0930132046 of July 19th, 2004 (2004) of Financial Supervisory Commission, Executive Yuan.

Note (11) Tai Cai Zheng Yi Zi Approval Letter No. 0940126037 of June 29th, 2005 (2005) of Financial Supervisory Commission, Executive Yuan.

Note (12) Tai Cai Zheng Yi Zi Approval Letter No. 0940125440 of July 1st, 2005 (2005) of Financial Supervisory Commission, Executive Yuan.

Note (13) Tai Cai Zheng Yi Zi Approval Letter No. 0950128446 of July 10th, 2006 (2006) of Financial Supervisory Commission, Executive Yuan.

Note (14) Tai Cai Zheng Yi Zi Approval Letter No. 0950128620 of July 12th, 2006 (2006) of Financial Supervisory Commission, Executive Yuan.

Note (15) Yuan Shang Zi Approval Letter No. 0950028768 of October 27th, 2006 of Taiwan Science Park Administration.

Note (16) Yuan Shang Zi Approval Letter No. 0960006570 of March 13th, 2007 of Taiwan Science Park Administration.

Note (17) Yuan Shang Zi Approval Letter No. 0960011004 of May 1st, 2007 of Taiwan Science Park Administration.

Note (18) Jin Guan Zheng Yi Zi Approval Letter No. 0960036973 of July 17th, 2007 of Financial Supervisory Commission, Executive Yuan.

Note (19) Yuan Shang Zi Approval Letter No. 0960025181 of September 13th, 2007 of Taiwan Science Park Administration.

Note (20) Yuan Shang Zi Approval Letter No. 0960033158 of December 5th, 2007 of Taiwan Science Park Administration.

Note (21) Yuan Shang Zi Approval Letter No. 0970007484 of February 15th, 2008 of Taiwan Science Park Administration.

Note (22) Yuan Shang Zi Approval Letter No. 0970012289 of May 14th, 2008 of Taiwan Science Park Administration.

Note (23) Yuan Shang Zi Approval Letter No. 0970023820 of September 1st, 2008 of Taiwan Science Park Administration.

Note (24) Yuan Shang Zi Approval Letter No. 0970031254 of November 5th, 2008 of Taiwan Science Park Administration.

Note (25) Yuan Shang Zi Approval Letter No. 0970033918 of December 1st, 2008 of Taiwan Science Park Administration.

Note (26) Yuan Shang Zi Approval Letter No. 0980010288 of April 13th, 2009 of Taiwan Science Park Administration.

Note (27) Yuan Shang Zi Approval Letter No. 0980012552 of May 13th, 2009 of Taiwan Science Park Administration.

Note (28) Yuan Shang Zi Approval Letter No. 0980021402 of August 14th, 2009 of Taiwan Science Park Administration.

Note (29) Yuan Shang Zi Approval Letter No. 0980024305 of August 28th, 2009 of Taiwan Science Park Administration.

Note (30) Yuan Shang Zi Approval Letter No. 0980027608 of September 28th, 2009 of Taiwan Science Park Administration.

Note (31) Yuan Shang Zi Approval Letter No. 0980033989 of November 30th, 2009 of Taiwan Science Park Administration.

Note (32) Yuan Shang Zi Approval Letter No. 0990012116 of April 29th, 2010 of Taiwan Science Park Administration.

Note (33) Yuan Shang Zi Approval Letter No. 0990015583 of June 4th, 2010 of Taiwan Science Park Administration.

Note (34) Yuan Shang Zi Approval Letter No. 0990018384 of July 2nd, 2010 of Taiwan Science Park Administration.

Note (35) Yuan Shang Zi Approval Letter No. 0990031133 of October 15th, 2010 of Taiwan Science Park Administration.

Note (36) Yuan Shang Zi Approval Letter No. 1000011943 of May 5th, 2011 of Taiwan Science Park Administration.

Note (37) Yuan Shang Zi Approval Letter No. 1000025568 of August 31st, 2011 of Taiwan Science Park Administration.

Note (38) Yuan Shang Zi Approval Letter No. 1000033672 of November 8th, 2011 of Taiwan Science Park Administration.

Note (39) Yuan Shang Zi Approval Letter No. 1010024319 of August 7th, 2012 of Taiwan Science Park Administration.

Note (40) Zhu Shang Zi Approval Letter No. 1030012459 of May 8th, 2014 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (41) Zhu Shang Zi Approval Letter No. 1030025712 of August 27th, 2014 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (42) Zhu Shang Zi Approval Letter No. 1060029808 of October 27th, 2017 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (43) Zhu Shang Zi Approval Letter No. 1070000085 of January 4th, 2018 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (44) Zhu Shang Zi Approval Letter No. 1070028752 of October 5th, 2018 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (45) Zhu Shang Zi Approval Letter No. 1070034774 of December 4th, 2018 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (46) Zhu Shang Zi Approval Letter No. 1080009195 of April 2nd, 2019 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (47) Zhu Shang Zi Approval Letter No. 1080024365 of August 22nd, 2019 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

Note (48) Zhu Shang Zi Approval Letter No. 1090008694 of March 30th, 2020 of the Administration of Hsinchu Science Industrial Park, Ministry of Science and Technology.

2. Type of Stock

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total	
Registered common stock	586,221,651	413,778,349	1,000,000,000	This stock belongs to TPEx listed stock.

3. Shelf Registration: not applicable.

B. Status of Shareholders

April 22, 2024

Shareholder / Structure Quantity	Government Agencies	Financial Institutions	Other Juridical Persons	Individuals	Foreign Institution & Persons	Total
Number of Shareholders	7	66	432	94,422	403	95,330
Shareholding (shares)	6,375,590	172,139,732	88,282,976	222,605,847	96,817,506	586,221,651
Shareholding percentage	1.09%	29.37%	15.06%	37.97%	16.51%	100.00%

C. Diffusion of Ownership

1. Common Shares

April 22, 2024

Class of Shareholding	Number of Shareholders	Shareholding (shares)	Shareholding percentage
1~ 999	53,199	4,553,093	0.78%
1,000~ 5,000	36,195	64,865,916	11.07%
5,001~ 10,000	3,066	23,418,151	3.99%
10,001~ 15,000	969	12,321,015	2.10%
15,001~ 20,000	504	9,240,238	1.58%
20,001~ 30,000	477	11,982,543	2.04%
30,001~ 40,000	217	7,729,702	1.32%
40,001~ 50,000	136	6,250,224	1.07%
50,001~ 100,000	229	16,598,547	2.83%
100,001~ 200,000	131	18,536,635	3.16%
200,001~ 400,000	65	18,209,188	3.11%
400,001~ 600,000	34	16,336,670	2.79%
600,001~ 800,000	21	14,659,385	2.50%
800,001~ 1,000,000	13	11,883,014	2.03%
1,000,001 or over	74	349,637,330	59.63%
Total	95,330	586,221,651	100.00%

2. Special shares: None.

D. List of Major Shareholders

The name, amount and proportion of the major shareholders whose equity ratio is more than 5% or among top 10

April 22, 2024

Name of Major Shareholders \ Shares	Shareholding (shares)	Shareholding ratio (%)
Dedicated account for CAPITAL TIP Taiwan Select High Dividend ETF	44,357,000	7.57%
Dedicated securities investment trust fund account for Yuanta Taiwan Value High Dividend ETF in the custody of Hua Nan Bank	27,257,000	4.65%
Hong-Wang Investment Company	25,050,000	4.27%
Dedicated securities investment trust fund account for Fuh Hwa Taiwan Technology Dividend Highlight ETF in the custody of Taipei Fubon Commercial Bank Co., Ltd.	21,888,000	3.73%
Weilian Technology Co., Ltd.	13,114,000	2.24%
Cathy Life Insurance Co., Ltd.	12,184,000	2.08%
Chang, Ching-Chao	11,900,000	2.03%
Ming-Kuang Lu	11,025,000	1.88%
Hongmao Investment Co., Ltd.	10,425,000	1.78%
India West Select Master Fund Co., Ltd. Investment Account in the custody of HSBC (Taiwan) Commercial Bank Co., Ltd.	9,087,600	1.55%

E. Market Price, Net Worth, Earnings, and Dividends per Share for the Last Two Years

Unit: NTD

Item \ Year			2022	2023	As of March 31, 2024 (Note 2)
Market Price per Share	Highest		249	207.5	240
Market Price per Share	Lowest		115	139	184
Market Price per Share	Average		167.26	168.66	209.37
Net Worth per Share	Before Distribution		54.37	56.77	Not applicable
Net Worth per Share	After Distribution		45.37	Note 1	Not applicable
Earnings per Share	Weighted Average Shares (thousand shares)		586,222	586,222	Not applicable
Earnings per Share	Earnings per Share	Before Adjustment	14.87	16.99	Not applicable
Earnings per Share	Earnings per Share	After Adjustment	14.87	16.99	Not applicable
Dividends per Share	Cash Dividends		9.00	Note 1	Not applicable
Dividends per Share	Free Dividends	Dividends from Retained Earnings	—	—	Not applicable
Dividends per Share	Free Dividends	Dividends from Capital Surplus	—	—	Not applicable
Dividends per Share	Accumulated Undistributed Dividends		—	—	Not applicable
Return on Investment	Price/Earnings Ratio		11.25	9.93	Not applicable
Return on Investment	Price/Dividend Ratio		18.58	Note 1	Not applicable
Return on Investment	Cash Dividend Yield Rate		5.38	Note 1	Not applicable

Note 1: As of the publication date of the annual report, the distribution of earnings for 2023 has not yet been approved by the Board of Directors.

Note 2: As of the publication date of the annual report, the 2024 Q1 financial report has not yet been reviewed by the CPAs.

F. Dividend Policy and Implementation Status

1. Dividend Policy

If there is surplus in the annual final accounts of the Company, after paying taxes and making up for accumulated losses according to law, 10% is accrued as the statutory surplus reserve, but when the statutory surplus reserve has reached the amount of the Company's paid-in capital, it should not be listed, and the rest should be listed or turned back to the special surplus reserve according to the law. If there is still a surplus and the accumulated undistributed surplus, the Board of Directors should make a surplus allocation proposal, which should be submitted to shareholders' meeting to decide to distribute dividends. According to the 5th Provision of Article 240 from the Company Act, the Company will authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The distributable dividends and bonuses in whole or in part may be paid in new stock after a resolution has been adopted by the shareholders.

To maintain corporate sustainability and the steady growth of its EPS, dividend for shareholders shall be more than 50% of net profit after deducting the appropriation of special reserve for the year pursuant to regulations, and the rate of shareholder dividend shall be no less than 50% of the cash dividend.

Regarding the cumulative net amount of other deductions from equity, allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period. If there remains any insufficiency, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.

Dividend allocation

Pursuant to the Articles of Incorporation of the Company, the Board of Directors is authorized to resolve the distribution of profits in cash upon the end of every six months. Regarding the semi-annual cash dividends resolved and approved by the Board of Directors for 2023, the amount and date of distribution are as the following:

<table>
<tr><th rowspan="2">2023</th><th rowspan="2">Date of approval (Year/ Month/Day)</th><th rowspan="2">Date of distribution (Year/ Month/Day)</th><th colspan="3">Cash dividend per share (NT$)</th><th rowspan="2">Total cash distribution amount (NT$)</th></tr>
<tr><th>Earnings</th><th>Capital surplus</th><th>Total</th></tr>
<tr><td>First half of the year</td><td>2023/12/15</td><td>2024/3/1</td><td>3.5</td><td>0</td><td>3.5</td><td>2,051,775,779</td></tr>
<tr><td>Latter half of the year</td><td colspan="6">As of the publication date of the annual report, the distribution of earnings for 2023 has not yet been approved by the Board of Directors.</td></tr>
</table>

2. Description of expected significant changes in dividend policy: None.

G. Impact of the Stock Dividend Proposal of this Shareholders meeting on Operational Performance and Earning per Share: not applicable.

H. Employee Bonus and Directors' and Supervisors' Remuneration
   1. The percentage or scope of remuneration for employees and directors contained in the articles of association of the Company:
      If the Company is profitable during the year, it shall allocate 3–15% as employee remuneration in shares or cash upon the resolution of the Board of Directors. Employees of subsidiaries of the company meeting certain specific requirements shall be entitled to receive remuneration. The Company may allocate at most 3% of the aforementioned profit as directors' remuneration upon the resolution of the Board of Directors. The distribution proposal of remuneration of employees and directors should be submitted and reported to the shareholders' meeting.
      If it has accumulative losses, the Company should reserve and make up the amount before distributing remuneration to the employees and directors according to the percentage mentioned in the preceding paragraph.
   2. The basis for estimating the amount of employee and director remuneration, for calculating the number of shares to be distributed as employee remuneration, andthe accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
      a. Allocation for employee stock bonus and directors' remuneration: In compliance with Articles of Incorporation.
      b. Ratio of employee stock bonus to capitalization of earnings: If employee remuneration is distributed via stock, this will be calculated based on the total equity attributable to owners of parent in the latest financial statement audited by CPA. The Company does not distribute employee remuneration via stock this year.
      c. Accounting Treatment if the Actual Distribution Is Different from Estimation: If shareholder resolution is different from the estimation, it will be deemed as changes in accounting estimates and recognized in current profit and loss.
   3. Remuneration distribution approved by board meeting:
      a. Employee, director, and supervisor remuneration will be distributed in cash or shares. If the recommended distribution of employees' bonus and directors' remuneration has differences with estimation, therefore, its reason, variance and dealing should be disclosed.
         The Company's employee and directors' remuneration adopted by resolution of the Board of Directors on February 29, 2024 is as follows:
         Employees' bonus: NTD 550,000,000, all will be issued in cash
         Directors' remuneration: NTD 55,000,000, all will be issued in cash

There is no difference in actual distribution of employee bonus and directors' remuneration with the recognition in 2023 financial statements.

b. Ratio of recommended employee stock bonus to net income in the current standalone or consolidated financial statements, and the total amount of employees to remuneration: None.

4. The actual distribution of employee, director, and supervisor remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor remuneration, additionally the discrepancy, cause, and how it is treated:

Unit: NTD

Item	The Amount BoD Agreed to Distribute	The Amount that Actually Distribute	Quantity Variance	Explanation for the Variance
Employees' Bonus	564,770,000	564,770,000	None	Not applicable
Directors' Remuneration	55,000,000	55,000,000	None	Not applicable

I. Repurchase of Company Shares: None.

II. Status of Corporate Bonds

None.

III. Status of Preferred Stocks

None.

IV. GDR Issuance

March 31, 2024

Item \ Issue date			September 8, 2010
Issue date			September 8, 2010
Issuance and Listing			Luxembourg Stock Exchange
Total Amount			US$177,192,800
Offering Price per GDS			The GDR transaction price is US$2.9048 per unit
Units Issued			61,000,000 units of GDR Issuance
Underlying Securities			Common shares of Sino-American Silicon Products Inc.
Common Shares Represented			61,000,000 shares
Rights and Obligations of GDS Holders			1. An global depositary receipt holder exercises the voting rights of ordinary shares of Sino-American Silicon in the depositary receipt on the basis of depositary receipt agreement and the relevant provisions of the Law of the Republic of China. 2. An global depositary receipt holder enjoys the same share allocation and other allotment rights as existing common shareholders in accordance with the Law of Republic of China and other relevant laws. If Sino-American Silicon issues stock dividends or shares for other reasons in the future, the depository institution will issue the global depositary receipt to global depositary receipt holder in accordance with provisions of the depository convention and relevant laws with the proportion of the original holding unit of the global depositary receipt, or increase the number of common shares of Sino-American Silicon for each unit of global depositary receipt. Or the depository institution will sell the stock dividends and allocate the net income (deducting relevant taxes and fees) to the global depositary receipt holder on a pro rata basis. When Sino-American Silicon increases its capital by cash or other warrants, the global depositary receipt holder should have the same rights to subscribe for new shares and other rights as shareholders of ordinary shares in accordance with the Law of Republic of China and other relevant laws. The depository institution should provide such rights to the global depositary receipt holder or sell them in accordance with the Law of the Republic of China and other relevant laws, and distribute the net income (after deduction of taxes and expenses) to the global depositary receipt holder according to the ratio.
Trustee			Not applicable
Depositary Bank			Citibank,N.A.
Custodian Bank			Citibank Taiwan Ltd.
GDSs Outstanding			0
Apportionment of expenses for the issuance and maintenance			1. Costs related to the issuance of global depositary receipts: The expenses incurred in connection with the issuance of global depositary receipts, including legal fees, listing fees, financial consulting fees and any other related fees, should be borne by the issuing company and the selling shareholders unless otherwise stipulated by the law or agreed by the issuing company, sponsoring underwriter and depository institution. 2. Related expenses in the period of existence: Unless otherwise stipulated by the law or agreed by the issuing company, sponsoring underwriter and depository institution, related expenses in the period of existence, including disclosure of information and other expenses, should be borne by the issuing company.
Terms and Conditions in the Deposit Agreement and Custody Agreement			-
	2023	Highest	US$ 6.70
		Lowest	US$ 4.68

Closing Price per GDS		Average	US$ 5.23
	As of March 31, 2024	Highest	US$ 7.50
		Lowest	US$ 5.85
		Average	US$ 6.32

V. Employee Stock Options

None.

VI. Status of New Shares Issuance of Limited Stocks for Employees

None.

VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions

None.

VIII. Financing Plans and Implementation

None.

V. Operational Highlights

I. Business Activities

(I) Scopes of the business

1. Main areas of business operations:
   CC01080 Electronics Components Manufacturing
   C801990 Other Chemical Materials Manufacturing
   IG03010 Energy Technical Services
   F119010 Wholesale of Electronic Materials (for out of area operation only)
   F219010 Retail Sale of Electronic Materials (for out of area operation only)
   F401010 International Trade
   Research, design, development and manufacturing and sales of the following products:

   (1) Semiconductor silicon materials and components
   (2) Rheostat
   (3) Photoelectric and communication wafer materials
   (4) Silicone compound
   (5) The technical and management consulting services of the previous products.
   (6) Photoelectric power generation system integration and installation technology services.
   (7) Concurrently engaged in import and export related to our business.

2. Sales Proportion:

Unit: NT$ thousands; %

Product name	2023 net operating revenues	Weight of operating revenues
Semiconductor Wafer	71,747,595	87.53%
Solar Cell Products	2,307,645	2.82%
Solar module	1,274,483	1.55%
Solar energy ingot	1,065,247	1.30%
Semiconductor Ingot	1,273,152	1.55%
Solar Wafer Products	222,695	0.28%
Automotive components	1,354,332	1.65%
Other	2,717,803	3.32%
Total	81,965,952	100.00%

3. The Company's current products and service items:
   a. High quality multi-crystalline silicon materials
   b. High Efficiency Mono-Si Solar Cell
   c. High efficiency mono-Si bi-facial solar cell
   d. High-efficiency mono-Si Metal-Wrap-Through back-contact solar cells
   e. High-efficiency mono-Si multi-busbar solar cell
   f. High-efficiency mono-Si Busbar-less solar cells

g. Customized special design high efficiency mono-si solar cell
h. Construction, operation and maintenance of solar power generation equipment
i. Renewable energy power generation and certifications

4. New technologies and products planned for development
a. Development of ultra-high efficiency mono-Si solar cell technology
b. Development of ultra-high efficiency mono-si bi-facial solar cell technology
c. Development of customized special design high efficiency mono-si solar cell

Information on Semiconductor and Automotive Component Businesses from the 2023 Annual Reports of GlobalWafers (Stock Code: 6488), Taiwan Specialty Chemicals Corporation (Stock Code: 4772), Advanced Wireless Semiconductor Company (Stock Code: 8086), and Actron Technology Corporation (Stock Code: 8255).

(II) Industry Overview

1. Present situation and development of the industry

(1) Renewable energy business

In 2023, countries gradually opened their borders, and the COVID-19 pandemic is now a history. However, the solar energy market once again faced the difficult development of oversupply. In the first half of 2023, although the supply chain price was lowered, there was still support from demand and the price was relatively stable. However, in the second half of the year, governments around the world continued to increase interest rates, and coupled with the unlimited expansion of China's production capacity, the supply was significantly higher than the demand, resulting in plummeting prices, and demand also freezed rapidly. The collapse in prices following the overcapacity has caused sluggish end demand and continuous price declines in the industrial chain. Oversupply is the throes of change in product technology and demand cycle. The reshuffling of capacity, size changes, adoption of new technologies, and reduced costs will stimulate the recovery of demand and facilitate the healthy and sustainable development of the industry.

In Europe, Europe sanctioned Russia due to its invasion of Ukraine. Russia also cut off the supply of natural gas to several European countries, causing Europe to fall into an energy crisis. This gives renewable energy significant strategic and economic advantages, and accelerates the green transition for five to ten years. In October 2023, the European Parliament passed the amendments to the Renewable Energy Directive (RED). It is expected that the renewable energy in the EU will account for 42.5% of ultimate energy consumption in 2030, and the target is 45%. Development of renewable energies such as wind-power will be accelerated. In order to achieve the cumulative installed capacity target of 40 GW by 2030 set by the "Saudi Vision 2030" in the Middle East, Saudi Arabia has successively promoted a number of large-scale centralized bidding projects, with solar modules imported from China reaching 6.6 GW. It is estimated that Saudi Arabia's long-term solar demand will continue to rise.

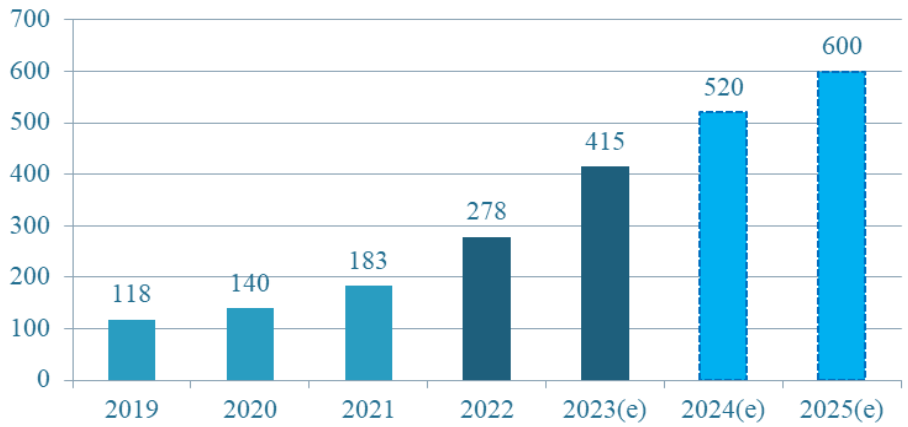
In 2023, Taiwan's solar energy installation is estimated to reach 2.5GW, and there is still 8-9GW to be installed before the 2025 target. From 2023 onwards, the average annual installation must reach 3.3GW or more, i.e. the total demand for Taiwan's module market in the next 2.5 years is about NT$108 billion, and the annual average is about NT$43.2 billion. In line with the government's 20GW solar PV installation capacity target in 2025, the roof & ground type installation volume target is still the same as last year (rooftop 8GW, ground type 12GW), and the total installations of other types also need to achieve their targets. Therefore, solar energy development is still one of the indicators of the new energy policy of the new government.

For the 2024 outlook, the solar energy market will keep on growing. The main factors are:

1. In the 28th session of the United Nations Climate Change Conference (COP28), nearly 200 countries pledged to "transform the energy system and move away from fossil fuels," and about 100 countries pledged to increase the global renewable energy use to three times the current level by 2030.
2. Countries around the world have greatly increased their attention on renewable energy, and have formulated green policies and climate goals to adopt renewable energy. The United States encourages local manufacturing incentives (IRA + Local Content). In October 2023, the European Parliament passed the amendments to the Renewable Energy Directive (RED). It is expected that the renewable energy ratio target in EU by 2030 would reach 45%.

In 2016, Taiwan announced its energy transition policy, aiming to achieve a non-nuclear homeland and renewable energy power generation accounting for 20%. In line with the international community, the government also announced to achieve net-zero by 2050. At that time, renewable energy will account for 50% to 60%.

2019-2025 Global Solar Energy Installations



(Source: Rystad Research/ PVinfolink/ SAS)

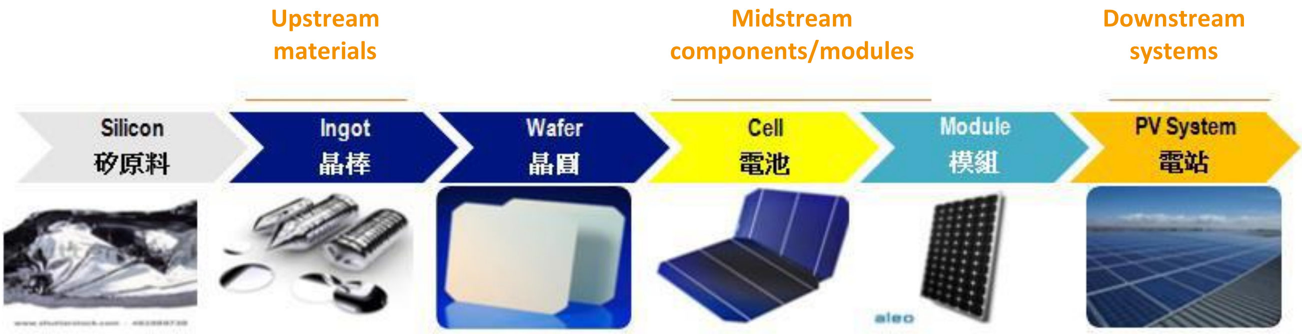
Among nearly 200 countries around the world, more than 150 countries have announced net zero or carbon neutrality goals. This is a global consensus and an unavoidable responsibility. In particular, export-oriented Taiwan must also connect with the world. However, according to data released in June 2023 by the Ministry of Economic Affairs, the progress of renewable energy deployment in Taiwan has been delayed. The original 20% green power target in 2025 will fail for sure, so it has been adjusted down to 15.5%, and the only chance to reach 20% is in 2026. This is mainly due to the shortage of labor and materials for renewable energy construction resulted from the impact of the pandemic in recent years. For the government's net zero roadmap planning, it is still a great challenge for the renewable energy taking least 60-70% share by 2050.

(2) Semiconductor business: Please refer to the annual reports of the subsidiaries, GlobalWafers (stock code: 6488), Taiwan Specialty Chemicals Corporation (stock code: 4772), and Advanced Wireless Semiconductor Company (stock code: 8086)

(3) Automotive components business: Please refer to the annual report of subsidiary Actron Technology Corporation (stock code: 8255)

2. Relevance of upper, middle and lower reaches of the industry

(1) Renewable energy business



Source: SAS Internal

(2) Semiconductor business: Please refer to the annual reports of the subsidiaries, GlobalWafers (stock code: 6488), Taiwan Specialty Chemicals Corporation (stock code: 4772), and Advanced Wireless Semiconductor Company (stock code: 8086)

(3) Automotive components business: Please refer to the annual report of subsidiary Actron Technology Corporation (stock code: 8255)

3. Industrial development trend and competition

(1) Renewable energy business

- Commitment to RE100/ESG/Carbon Neutral for carbon reduction in the international supply chain, coupled with the elevated energy prices caused by the Russia-Ukraine War, various countries have formulated green policies and climate goals to adopt renewable energy, which also stimulates the stable growth of renewable energy.

- Regional economy and trade barriers are strengthened, and under the battles between China and the U.S. to lead new energies, the U.S. government enacted acts and encouraged the U.S. manufacturers to manufacture locally. By reducing taxes and rewarding the U.S. manufacturers to expand production capacities in different stages, overseas orders will be returned to the local manufacturers in the U.S. in the long run.
- In the second half of 2023, M10 gradually has become the mainstream size in the Taiwan market. M10/G12 Topcon products gradually replaces PERC as the mainstream technology in the international market, which shows the market demand for high wattage.
- In the second half of 2023, the price of upstream raw materials collapsed, resulting in a freeze in demand in the supply chain, which continuously affected the demand and supply in early 2024.
- The crowding out effect of modules imported from third places. In 2023, the imported modules from third places continued, resulting in a crowding out effect on Taiwanese brand modules. According to customs statistics, the number of imported modules in third places in 2023 has been about 500-600MW, accounted for 25%-30% of the annual installation capacity in Taiwan.
- In the post-FIT era, the electricity market is gradually moving towards liberalization. The vitality source of the renewable energy market will come from the demand for green power, carbon reduction benefits, and the energy storage market. As the green supply chain becomes the international mainstream, and green power has inherent geographical restrictions, the demand to renewable energy exceeds the supply. Mastering green power is equivalent to mastering competitiveness. In 2023, the conversion of green power in Taiwan has reached 1.7 MWh, and it will gradually become a trend for power generation operators to sell electricity to private enterprises.

(2) Semiconductor business: Please refer to the annual reports of the subsidiaries, GlobalWafers (stock code: 6488), Taiwan Specialty Chemicals Corporation (stock code: 4772), and Advanced Wireless Semiconductor Company (stock code: 8086)

(3) Automotive components business: Please refer to the annual report of subsidiary Actron Technology Corporation (stock code: 8255)

(III) Overview of Technology and R&D

In recent years, the Company has devoted itself to improving the production of silicon wafer, precision processing and cell module. The increase of productivity of polycrystal wafer, the improvement of crystal quality, the improvement of the conversion efficiency of wafer and cell, etc. have exceeded international indicators. Many technical indicators have become international benchmarks. In order to meet customers' requirement for various solar cell products, the company can also rely on its rich research and development experience to quickly develop solar cell products that meet customer requirement in addition to large-size solar cell products. In recent years, the Company exploits the deep technology foundation and rigorous process technologies to improve the crystalline quality continuously, and expands to the silicon material application products. Customization based on clients' need and expand product applications.

Information on Semiconductor and Automotive Component Businesses from the 2023 Annual Reports of GlobalWafers (Stock Code: 6488), Taiwan Specialty Chemicals Corporation (Stock Code: 4772), Advanced Wireless Semiconductor Company (Stock Code: 8086), and Actron Technology Corporation (Stock Code: 8255).

1. The proportion of research and development expenditure in net operating income in the last two years is as follows:

Unit: NT$ thousands

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

2. Technologies or products successfully developed in recent years and up to the date of publication of the annual report

Name of Program	Description of Program
Development of high quality multi-crystalline silicon materials products for silicon-based application	High quality multi-crystalline silicon materials products for silicon-based application are based on the accumulated R&D technology in the development of solar high efficiency multi-crystalline, and rigorous process technology is used to continuously improve the crystal quality and develop products that meet the specifications of various special polycrystalline silicon materials.
Development of ultra-high efficiency mono-si bi-facial solar cell technology	Ultra-high efficiency mono-si bi-facial solar cell technology that can be mass-produced was successfully developed by purchasing advanced equipment, using processes developed by our R&D department, and combining back polishing, passivation, batch printing, and multi-busbar technologies. Ultra-high efficiency mono-si bi-facial solar cells feature a front-side power watt that can be increased by 20%, while backside generation power can be 10–20% higher than the front-side according to environmental conditions.

(IV) Long-term and short-term business development programs

1. Long-term program

(1) In the field of new energy applications, the Company actively seeks customers with customized needs, such as aerospace applications/ special processes, to maintain the Company's competitiveness, and actively develop the international market to serve

nearby overseas customers. Responding to the new energy transition and the need for a de-carbonized and circular economy in the international supply chain. Outlook: Sino-American Silicon will provide green energy solutions, to "serve clients by providing green power and energy storage related product application and plans," while keep on pursue the maximum interest of the organization as the goal.

(2) Integrate the upstream, midstream and downstream resources, give full play to the advantages of vertical and efficient products, further promote the long-term healthy development of the solar industry and enhance the international competitive advantage. In the long run, the future strategic direction of the Company is to develop towards the system end.

(3) Power station maintenance and operation service is a key section in the development strategy for the system end. The solar power station has signed a wholesale contract with Taipower for 20 years; thus, the stable power generation and operation is a critical factor in achieving the investment effect. With long time experience in maintenance, operation, and management experience in solar power stations, and the development of software for analyzing performance variance of power stations, Sino-American Silicon Group achieves active and timely preventive maintenance. This enhances the operational availability/uptime, and protects the long-term investment effects of investors, while making the Company a maintenance and operation service provider with value.

(4) The renewable energy power generation is intermittent and variable, and solar power generators do not have the inertia reaction capability as the conventional generator, so extra backup capacity is needed. In the future, the energy-storage system will be set up in the self-owned sites by SAS, while establishing the ancillary services participating mechanism, to meet the demands of system deployment and fast response to accidents. The installation of energy-storage system will help the optimization of grid quality. The Company has installed the compounded energy system on the rooftops of the Company's plants in 2019. The system integrated solar energy, energy storage, adjustable grid-connected generators, and an energy management system, to cope with the future demands of integrated energy management. In addition, the energy storage system built in the Yilan factory has been officially commissioned in 2023 for entering the power market by investing 1.5MW energy storage system, to provide services to the dispatch and stability of the national grid.

2. Short-term program

(1) The Company is a leader in high-efficiency monocrystalline cell products. The Company will continue to refine PERC monocrystalline cells so that their efficiency can maintain market competitiveness. At the same time, the Company completed the installation and introduction of Topcon equipment in early 2024, and develops high-efficiency N-type cell production processes. Combining the large-size batteries, customers are provided with quality products with high wattage and high efficiency.

(2) Respond to the solution opportunities derived from climate change and become a sustainable operation partner of our customers.
(3) The Company will actively look for suitable subjects to develop the installation of solar power systems.
(4) Develop fishery/agriculture and electricity symbiosis case fields, partner with aquaculture operators, and expand the application scope of solar photovoltaics.
(5) Invest in the construction of solar photovoltaic system at the canal type and project site of polluted lands.

II. Market and Sales Overview

(I) Market Analysis

1. Distribution areas of major commodities

Unit: NT$ thousands

Region		2022		2023	
		Sales Amount	Rate (%)	Sales Amount	Rate (%)
Sales in domestic market		18,156,879	22.18%	17,161,045	20.94%
Export sales	Asia	37,584,229	45.91%	36,372,853	44.38%
	The Americas	11,617,916	14.19%	11,155,405	13.61%
	Europe	13,604,150	16.62%	15,958,524	19.47%
	Others	908,332	1.11%	1,318,125	1.61%
Total		81,871,506	100%	81,965,952	100%

2. Market share

(1) Renewable energy business

A. The Yilan Plant will upgrade all the products to M10 high-efficiency monocrystalline cells successively in 2023, becoming the leading high-efficiency single crystal cell manufacturer in Taiwan, accounting for about 22% of Taiwan's high-efficiency and large-size single crystal cell market.

B. As of now, Sino-American Silicon Group has installed solar energy systems in Taiwan for more than 140MW, including 111MW of grid connection. Based on the accumulated solar energy installed capacity of 11.7GW in Taiwan at the end of 2023, the Company’s market share is about 1.2%. For the objective of this year, other than the rooftop of the plants, the Company will continuously and actively participate in the public tenders of local government or state-owned lands, as well as the solar sharing project with the fishery and electricity symbiosis, agriculture and electricity symbiosis, canal type, polluted lands, and parking lots.

(2) Semiconductor business: Please refer to the annual reports of the subsidiaries, Globalwafers (stock code: 6488), Taiwan Specialty Chemicals Corporation (stock code: 4772), and Advanced Wireless Semiconductor (stock code: 8086)

(3) Automotive components business: Please refer to the annual report of subsidiary

Actron Technology (stock code: 8255)

3. Supply and Demand, and Growth in the Market of the Future

(1) Renewable energy business

A. With the global initiatives of carbon neutrality and voluntary sustainability of enterprises, solar energy has become an unanimously recognized alternative energy source in the world. As the price of solar energy modules decreases, the demand for solar power generation in various markets around the world will keep on growing. It is estimated that the global solar power generation demands in 2024 will reach a target of 492GW, or an active target of exceeding 538GW (PVinfolink).

B. It is expected that the global solar energy supply and demand in 2024 will continue to increase in the first half of the year, and enter the peak season in the second half of the year. The overall supply chain supply and demand and prices will stabilize.

C. In 2023, the volume of new solar PV installations will be about 2.3GW, which is below the target of 2.5GW. The rooftop project sites are saturated, and lands in Taiwan are scarce. Promotion and integration by policy is needed. Currently, Taiwan still gives priority to the promotion of diversified land use, to combine solar photovoltaic installations with the existing usage of lands, including the fishery and electricity symbiosis, agricultural and electricity symbiosis, parking lots, polluted land and other sites; these have gradually become the battlefield.

D. In the 2024 draft of FIT, the solar energy rate has been slightly revised down, and the rest of the energy rates stay unchanged. With the demand for green supply chain by major international enterprises, industry players mostly evaluate power plant investment from the perspective of green power. The main development directions are as follows:

Direction 1: Enterprises' demand for green power and carbon reduction

Since the introduction of the "energy-heavy Industries provisions" in 2021, enterprises' investments in renewable energy have continued to increase. In addition, it is expected that the overall electricity tariff will be raised in April this year. This will make enterprises with land and factories consider to built the in-house solar power plant to mitigate the effects through self-generation and consumption. In 2024, the carbon fee will be imposed on 287 heavy carbon-emitting enterprises with annual emission of 25,000 ton or more, who are subject to report the carbon fee in 2025. It will promote the development of the green energy industry.

Direction 2: The electronic market is liberalized, and the corporate renewable power purchase agreements (CPPA) market is active.

The Bureau of Standards and Metrology of the Ministry of Economic Affairs has issued 4.05 million renewable energy certificates, equivalent to 4 billion KWH of electricity. With the gradual improvement of the green power trading mechanism, there are as many as 56 electricity sellers. This is to match the price and conditions of green power supply and demand. It shows the strong trend of the green power trading market.

Direction 3: Integration of solar energy and storage to improve grid stability

In order to optimize the photovoltaic efficiency, the Ministry of Economic Affairs has begun to promote the integration of solar and storage in 2022, and set a goal of 1.5GW energy storage by 2025 (0.5GW solar storage and 1GW grid applications). As the solar energy installations increase, daytime power generation may exceed the electricity demand. Energy storage may fill the gap of nighttime power consumption, to make more efficient use of energy, and achieve a balanced and stable grid. However, the Bureau of Energy has also issued related technical safety regulations, seeking to relieve the public doubts about the energy storage system.

(2) Semiconductor business: Please refer to the annual reports of the subsidiaries, Globalwafers (stock code: 6488), Taiwan Specialty Chemicals Corporation (stock code: 4772), and Advanced Wireless Semiconductor (stock code: 8086)

(3) Automotive components business: Please refer to the annual report of subsidiary Actron Technology (stock code: 8255)

4. Competitive advantages

(1) Long-term R&D investment creates core competitive advantages and holds patents.

(2) Extensive cooperation between industry, government and university has a high level of product innovation capability.

(3) Work closely with downstream customers to grasp market demands and development trend.

(4) Long-term cooperation with raw material suppliers to grasp the stable supply of key raw materials and cost advantages.

(5) Abundant experience in establishment, maintenance, operation, and management of solar power stations.

(6) The vertically integrated company with the robustest financial position in the solar energy industry.

(7) High customization capability and the ability to adjust product design in response to customer needs.

(8) The Company is a practitioner of RE100 and is engaged in carbon reduction in the supply chain; thus, services to meet customers' needs for sustainability are derived.

5. Advantages and disadvantages of development prospect

(1) Renewable energy business

A. Favorable factors

(a) Although the solar PV industry is still not completely separated from the stage of government subsidies, more and more renewable energies enter the green power sales market, which has the value of sustainable operation and long-term development.

(b) The ability of R&D and process improvement is of international standard, which can help to improve product quality and competitiveness.

(c) Vertical integration and layout of marine outfalls are complete. Combined with the government's vigorous promotion of green energy, it has comparative advantages.

(d) Governments all over the world have attached great importance to energy independence, having launched the Green Deal, and vigorously promoted renewable energy.

(e) As the nuclear power plants are decommissioned sequentially, under the net zero policy without nuclear energy, such vacancy will be filled by renewable energies.

(f) The experience of managing power station with more than 140MW capacity enable the Company to accelerate the maintenance and operation business.

(g) The international green tide and the gigantic power user policy accelerate the green power industry’s development.

(h) The government's energy transition policy, with the goal of 20GW solar photovoltaics by 2025, remains unchanged.

(i) The Legislative Yuan has approved the additional regulation that some new, additional or renovated buildings shall have a certain mid-capacity solar energy system installed on the roofs.

B. Unfavorable factors and the response

(a) The pricing power of the upstream materials is concentrated in very few manufacturers/single countries.

(b) Various uncertainties regarding setting up fields in Taiwan, including the environment evaluation, feeders, and lands.

(c) Uncertainties of geopolitics: China and the United States compete in the new energy industry, as well as the policy uncertainty of tariff barriers in various countries, will impact the global supply and demand and changes in prices.

(d) Conflicts between solar energy manufacturing and end systems. A large number of modules from third places are introduced at the system end.

(e) The development of fishery/agriculture and electricity symbiosis and fish farming are completely different areas. The feeders, land consolidation, and communication to fish farmers still need time and care to deal with, and balance among all parties is required, too.

(f) The cost of construction continues to rise, and the building cost is soaring.

(g) Most of the power heavy users choose to build their own equipment, and EPCs with development capabilities may be contracted directly.

Coping measures

(a) Actively develop new clients and new products with better price–performance ratio and large sizes.

(b) Strengthen R&D links with downstream customers, develop efficient niche products by integrating core technological capabilities from both ends, increase added value, and actively reduce manufacturing costs to increase profit margins.

(c) Establish the market value, expand the international market, while cultivating markets in Taiwan, and integrate toward the downstream power stations with strategic partnership, to solidify and develop the green energy application opportunities.

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

(e) Continue to communicate with landlords and fish farmers; select suitable species for farming, and the field design shall meet the farming demands. The existing farmers have the priority to lease first.

(f) Implement the construction period control and project management efficiency, and increase the selections of raw material or equipment suppliers.

(g) Strengthen self-development capabilities, and provide three-in-one service solutions of engineering, maintenance and operation, and green power, with market differentiation.

(2) Semiconductor business: Please refer to the annual reports of the subsidiaries, GlobalWafers (stock code: 6488), Taiwan Specialty Chemicals Corporation (stock code: 4772), and Advanced Wireless Semiconductor Company (stock code: 8086)

(3) Automotive components business: Please refer to the annual report of subsidiary Actron Technology Corporation (stock code: 8255)

(II) Important Uses and Production Processes of Major Products

1. Important uses of products

Product Name	Statement of Important Uses
High quality multi-crystalline silicon materials	Application of silicon material products and customized according to customer's needs.
High Efficiency Mono-Si Solar Cell	1. The conversion efficiency of high-efficiency mono-Si solar cells is higher than 23.00%. 2. The conversion efficiency of high-efficiency multi-busbar mono-Si bifacial solar cells is higher than 23.30% and bifacility is higher than 65%. 3. The conversion efficiency of high-efficiency Metal-Wrap-Through back-contact mono-Si solar cells are higher than 23.20%.

2. Process

High quality multi-crystalline silicon materials

Silicon raw material → crystal growth → processing → crystal quality inspection → finished product inspection → packaging

Solar cells

Solar cells Wafer production → surface roughening → surface diffusion layer formation → surface cleaning and edge insulation → formation of anti-reflection layer and passivation layer on the surface → metallization and sintering → solar cell efficiency measurement and classification

(III) The supply of key materials

Product Item	Main Raw Materials	Major Suppliers	Supply Situation
Wafer	Polysilicon	Company A, Company B, Company C	Good

(IV) The names of the parties accounted for more than 10% of the total purchase (sale) in any of the last 2 years, the amount of purchase (sale) and proportion to the total amount of purchase (sale)

1. The names of the parties accounted for more than 10% of the total purchase in any of the last 2 years, the amount of purchase and proportion to the total amount of purchase, and explain the reason for the changes, where applicable.

Unit: NT$ thousands

	2022				2023			
Item	Company Name	Amount	Percent in the Total Annual Net Purchases (%)	Relation with Issuer	Company Name	Amount	Percent in the Total Annual Net Purchases (%)	Relation with Issuer
1	C	2,694,831	10.44	None	A	2,698,486	12.04	None
2	A	2,264,983	8.78	None	B	1,407,886	6.28	None
3	B	1,998,293	7.74	None	C	724,730	3.24	None
4	Other	18,847,989	75.54	None	Other	17,575,879	78.44	None
	Net purchase	25,806,096	100.00		Net purchase	22,406,981	100.00	

Explanation of Changes:

The Group optimized procurement costs by adjusting procurement sources based on the fulfillment of long-term procurement contracts and fluctuations in market spot prices. To mitigate the impact of global inflation and the war, the Group adjusted its procurement schedule in advance, resulting in a decrease in the total number of procurements compared to the full year.

2. The names of the parties accounted for more than 10% of the total sale in any of the last 2 years, the amount of sale and proportion to the total amount of sale, and explain the reason for the changes, where applicable.

Unit: NT$ thousands

	2022				2023			
Item	Company Name	Amount	Percent in the Total Annual Net Purchases (%)	Relation with Issuer	Company Name	Amount	Percent in the Total Annual Net Purchases (%)	Relation with Issuer
1	B	14,781,881	18.05	None	B	11,205,438	13.67	None
2	Other	67,089,615	81.95	None	Other	70,760,514	86.33	None
	Net purchase	81,871,496	100.00		Net purchase	81,965,952	100.00	

Explanation of Changes:

Overall market momentum is slightly lower than expected due to adjustments in inventory by end customers, especially weak memory sales, resulting in a decrease in revenue of more than 10% of customers.

(V) Production in the Last Two Years

Unit: NT$ thousands

Year / Output / Main Products	2022			2023		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Solar Ingot (thousand kg)	2,782	2,141	2,764,000	2,782	853	1,063,200
Solar Silicon Wafer (thousand pieces)	0	0	0	0	0	0
Semiconductor Crystal Rod (thousand pieces)	370	322	1,535,423	357	296	2,004,848
Semiconductor Wafer (thousand pieces)	56,329	50,901	38,160,437	52,557	44,747	39,996,677
Solar Cells (thousand pieces)	89,765	76,845	3,529,007	100,519	52,365	2,307,645
Total	—	—	45,988,867	—	—	45,372,370

Note: Information on production and sales volume data for GlobalWafers is provided. For information on other semiconductor and automotive components businesses, please refer to the annual reports of Taiwan Specialty Chemicals Corporation (Stock Code: 4772), Advanced Wireless Semiconductor (Stock Code: 8086), and Actron Technology (Stock Code: 8255).

(VI) Sales in the Last Two Years

Unit: NT$ thousands

Year / Sales / Main Products	2022				2023			
	Local		Export		Local		Export	
	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity
Solar Ingot (thousand kg)	—	—	716	2,764,045	5	4,743	285	1,060,504
Solar Silicon Wafer(thousand pieces)	9,682	236,330	1,644	36,691	7,233	115,087	7,460	110,608
Semiconductor Crystal Bar and Wafer(thousand pieces)	9,969	12,153,808	37,106	58,785,117	8,550	11,938,479	31,737	58,114,342
Solar Cells (thousand pieces)	72,650	3,423,416	2,609	99,606	43,388	1,862,159	9,232	445,486
Solar Modules (thousand pieces)	3	15,694	250	1,262,454	3	13,295	264	1,261,188
Other (Note)	—	1,091,362	—	2,002,973	—	2,786,833	—	4,253,228
Total	92,304	16,920,610	42,325	64,950,886	59,179	16,720,596	48,978	65,245,356

Note: Information on production and sales volume data for GlobalWafers is provided. For information on other semiconductor and automotive components businesses, please refer to the annual reports of Taiwan Specialty Chemicals Corporation (Stock Code: 4772), Advanced Wireless Semiconductor (Stock Code: 8086), and Actron Technology (Stock Code: 8255).

III. Employee Data for the Last Two Years

Year		2022	2023	As of March 31, 2024
Employee No.	Staffs	6,239	6,210	6,205
	Operators	4,227	4,485	4,458
	Total	10,466	10,695	10,663
Average Age		41	41	41
Average Years of Service		12	12	12
Education	Doctorate degree	0.75%	0.83%	0.84%
	Masters	8.91%	9.16%	9.54%
	Junior College	33.55%	33.81%	36.99%
	Senior High School or below	56.78%	56.19%	52.71%

Note: All companies included in the consolidated financial statements.

IV. Environmental Protection Expenditures

(I) According to provisions of the decree, if a permit for the establishment of pollution facilities or a permit for the discharge of pollutants should be applied for, the expenses for pollution prevention and control should be paid or a special unit for environmental protection should be established, description of the application, payment or establishment: The application for a permit for the establishment of pollution facilities has been specified, and personnel of the special unit for environmental protection has been set in accordance with the provisions.

(II) Investment in Major Equipments for the Prevention and Control of Environmental Pollution, its Use and Possible Benefits:

1. Pollution and its improvement

   In order to prevent the occurrence of environmental pollution, we have successively carried out the renovation and improvement of old pollution prevention and control equipments in plants, and continuously strengthened the education and training of operators.

2. Environmental Protection Expenditure in the Recent Year

   Environmental Protection Expenditure in 2023

   The total cost of air pollution prevention and maintenance was NT$16,811 thousand.

   The total cost of treatment and maintenance of industrial wastewater was NT$22,044 thousand.

   The total cost of industrial waste treatment and maintenance was NT$13,882 thousand.

   The total cost of other environmental protection expenditures was NT$286 thousand.

3. Expected improvement

The investment of the above pollution prevention and control equipments can effectively respond to the amendment to environmental protection laws and regulations, and the environmental pollution of wastewater and waste gas can be more effectively treated and reduced to ensure its discharge quality.

(III) In the last two years and up to the date of publication of the annual report, the Company's process of improving environmental pollution, and process of handling of pollution disputes:

None.

(IV) In the last two years and up to the date of publication of the annual report, the total amount of losses (including compensation) and punishment suffered by the Company as a result of pollution of the environment, its possible future response measures (including improvement measures) and expenditures (including the estimated amount of losses, punishment and compensation that may occur if the response measures are not taken, and the facts that they cannot be reasonably estimated if so:

None.

(V) The impact of current pollution situation and its improvement on company surplus, competitive position and capital expenditure, and the major environmental capital expenditure expected in the next two years: None.

(VI) Relevant information of the Company complying with the European Union Environmental Protection Directive (RoHS): Samples of banned and restricted substances of wafer based on RoHS were sent for testing in accordance with the business demands.

V. Labor Relations

(I) The Company's employee welfare measures, further education, training, retirement system and its implementation, as well as labor agreements and various measures to safeguard employees' rights and interests

1. Employee welfare measures:

A. High-quality salary, and fair and just incentive and promotion methods are provided to recognize the contributions of all colleagues to the Company. All employees of the Company are entitled to labor insurance, health insurance, group insurance, pension contribution and other fringe benefits. The fringe benefits include year-end bonus, gifts for birthday and festivities, year-end banquet, subsidies for matrimony, bereavement, and other celebration, tourist traveling in home country and abroad, emergency relief fund, scholarship, paternal subsidy, meals, stock offering for the employees, and complete set of education and training. Since 2021, the trust of employee shareholding was also added. Employees may evaluate on their own whether to join or not, and participants are given rewards equal to 100% of the amount contributed by themselves.

B. 0.1% of the monthly turnover and 40% of the sales income is allocated to the Employee Welfare Committee each month, which is operated by its members in accordance with relevant regulations.

C. The Company fully recognizes that the health of all employees is critical to work efficiency and morale, and seeks to create a safe working environment through the care of employees. Since 2020, the Employee Caring Program has been established. By forming a cross-departmental team to formulate an overall plan, the Company provides employees with sub-programs in four aspects: work, health, life, and welfare, to improve overall employee welfare.

2. Employees' further education and training and their implementation:

The Company provides diversified training courses and various professional on-the-job training and self-development courses, including new entrant training, on-the-job training courses, labor safety and health education training, professional courses and various post-related assignment training courses, in order to cultivate professionally competent and challenging talents.

3. Retirement system and its implementation:

A. There are two types of retirement: voluntary retirement and compulsory retirement.

Voluntary retirement: Those who have worked for more than 15 years and are over 55 years old, those who have worked for more than 25 years or those who have worked for more than 10 years and are over 60 years old.

Compulsory retirement: The Company may compel a person who is over 65 years old from May 14th, 2008 or who is mentally or physically disabled and incompetent to retire.

B. The calculation of seniority: Calculated from the date of arrival: The seniority in the period of leaving without pay should be deducted.

C. Standards of pension payment:

Old system: Two bases are given for each year of service. For over 15 years of service, a base is given every year, but the maximum is 45 bases. Less than half a year is counted as half a year, and more than half a year is counted as one year. If the mental or physical disability of a compulsorily retired worker is caused by the performance of his duties, the base of his pension should be increased by 20% in accordance with provisions of the preceding paragraph.

New system: If the new system was chosen after July 2005, the seniority should be calculated by the old system before July 2005, and by the new system after July 2005.

D. The pension of employees arriving after July 2005 is calculated according to the new system (The employer allocates 6% of salary each month and deposits in the personal account of the Labor Insurance Bureau).

4. Labor agreements:

The Company's provisions are based on the Labor Standard Law as a guideline. In accordance with the implementation measures of the Labor Conference, labor meetings are held regularly. Labor relations have always been quite harmonious, and communication channels are unblocked. At the same time, through the joint discussion of the Labor Conference and the Staff Welfare Committee, the mutual benefit and other issues between the two sides are negotiated. In addition to further understanding of each other’s needs and expectations, all our colleagues work together to create the future of the Company based on the business philosophy of coexistence and co-prosperity.

5. Protection measures of employees’ rights and interests:

The Company has a sound management system, which sets out various management measures, stipulates the rights and obligations of colleagues and welfare items, and irregularly reviews and revises the welfare content to safeguard the rights and interests of all colleagues.

(II) Losses incurred as a result of labor disputes in recent years and up to the date of publication of the annual report, and disclosure of current and future possible estimated amounts and response measures:

The Company enjoys harmonious employee-employer relations, any labor related dispute is meditated pursuant to the procedures. During the recent year and up to the publication date of the annual report, no loss suffered due to labor dispute.

(III) Employees' Behaviors or Ethical Codes:

In order to let all employees understand employees' behaviors and ethics and gather them together, the Company has formulated relevant measures and regulations to be followed by the Company's management and all employees. The relevant measures and codes are summarized as follows:

1. Provisions of layered responsibilities and delegation of authorization: The Company implements layered responsibilities. There are also job agents at all levels, all departments comply with provisions of delegation of authorization to ensure the normal operation of the Company's business.
2. Formulate reward and punishment methods: Except for those in the rules of the Company, the rewards can be divided into three categories: reward, small merit and big merit. The punishment can be divided into three categories: admonition, small demerit and big demerit.
3. Implement measures for maintaining business secrets: In order to ensure the Company's business secrets and intellectual property rights, employees are prohibited from competing in business. Employees are required to sign contracts

for keeping business secrets and attribution of intellectual property rights.

4. Employees' annual performance evaluation methods: To enhance the morale and performance of the Company's employees, explore outstanding talents, and make employee promotion, rewards and punishments fair and reasonable.
5. Sexual harassment prevention and treatment measures: In order to safeguard gender equality in work and personal dignity, the Company strictly prohibits sexual harassment in the workplace, and specifies rules and employee complaint channels to regulate employees' behaviors in the workplace.
6. Principles of work and codes of conduct for colleagues: In order to clearly regulate the rights and obligations of both employer and employees, improve the management system of modern operation, and urge all employees to work together to achieve the goal of high utilization of human resources and seek for business development, the Company has formulated these rules with reference to relevant laws and decrees. The main contents are as follows:

   Chapter 1 Personnel Appointment

   Chapter 2 Attendance

   Chapter 3 Working Overtime and Duty on Holidays

   Chapter 4 Salaries, Allowances and Bonuses

   Chapter 5 Performance Evaluation, Rewards and Punishments, Promotion and Mobilization

   Chapter 6 Resignation, Leaving without Pay, Lay-off, Removal and Retirement

   Chapter VII Labor Insurance, Health Insurance, Group Insurance, and Employment Insurance

   Chapter 8 Employee Welfare Committee

   Chapter 9 Marriage, Funeral, Birthday Celebration, Emergency Relief and Assistance

   Chapter 10 Compensation and Pension for Occupational Disasters

   Chapter 11 Occupational Safety and Health

   Chapter 12 Communication System and Others
7. The rewards and punishments in plant regulations and the rules to be followed by employees of plant: The plant has formulated "Code of Work for Colleagues” for behaviors and ethics of employees in the plant. It ensures the quality of products of the Company and conforms to the operating standards. Rules for entering and leaving the plant zone, and general rules for establishing a good working environment and providing work efficiency to maintain the image of the Company and improve the quality of employees should be followed.
   (1) Follow the rules of work and all laws, regulations and rules.
   (2) Obey the distribution, guidance, management and assignment of supervisors at all levels without putting off.
   (3) Do not operate business related to the Company's business or use the name of the Company without authorization.

(4) Do not seek personal interests through the use of power or official status or information.
(5) The Company's colleagues should abide by the rules and not disclose the Company's technology, management and business secrets.
(6) Without the consent of the Company, no company information should be released to the communication circle without authorization.
(7) Confidential information of the Company should not be collected or disseminated privately.
(8) No contraband or inflammable articles should be brought into the Company or production area.
(9) Do not enter the prohibited area with warning slogans or bring relatives, friends and employees who have left the Company into the workplace without permission.
(10) The salaries of our colleagues should be treated as confidential and should not be arbitrarily told to others, and the compensation of other colleagues should not be asked about.
(11) Do not gamble, take drugs, smoke, eat betel nut or act indecent in the workplace.
(12) Alcoholic beverages should not be consumed during working hours.
(13) Public property should be cherished, and should not be wasted, damaged, changed or used privately.
(14) Pay attention to appearance, and wear overalls and company service certificates.

General rules formulated to standardize all employees' compliance, ensure that the quality of our products meets the operating standards, and provide work efficiency to maintain the image of the Company and improve the quality of employees. The above measures and regulations should be trained upon the arrival of new employees, and the latest edition should be announced on the bulletin board in the plant for staffs to enquire at any time.

(IV) Measures to Protect the Working Environment and Personal Safety of Employees:

According to the Labor Safety and Health Law, the Company has established “the Labor Safety and Health Management Unit”, set up the management personnel of the Labor Safety and Health Business, and formulated “the Labor Safety and Health Management Guidelines”. The main contents related to the working environment of the plant area and the protection of personal safety of employees are summarized as follows:

1. Work environment regulations and measures
(1) Staffs should always pay attention to self-adjustment of physical and mental health and develop good hygienic habits.
(2) The workplace should be tidied up in proper time and kept clean and tidy.
(3) Smoking, eating betel nut and drinking alcoholic beverages are strictly prohibited in the plant.
(4) Smoking should be in the prescribed smoking room and the cigarette butt

should not be discarded at will.

(5) Protective devices should be correctly used when hazardous substances are disposed of.

(6) Hazardous substances should be clearly marked and should not be damaged arbitrarily.

(7) Water drinking equipment that meets the drinking water standards should be installed in appropriate places in the workplace and regularly cleaned, and the water quality should be tested.

(8) Disinfect the whole plant area every year.

(9) Toilets should be well ventilated, cleaned and disinfected.

(10) All employees must keep the 6S environment clean and hygienic in the plant area and form good habits.

(11) No spitting, drowning, throwing of cigarette butts or littering is allowed.

2. Protection of personal safety of employees

(1) All work should be carried out and audited in accordance with relevant safety standards, operating procedures and safety checklist of working procedures.

(2) If temporary or non-regular operations do not have such safety standards to follow, they should not be completed. Flexibly use existing safety standards and decide on the safety steps and methods to be adopted after discussion with the person in charge of the work.

(3) Safety hats and belts should be worn by those who are engaged in elevated work with a height of more than two meters or work with objects fallen or fallen apart, inspectors and supervisors.

(4) Safety belts and auxiliary ropes or safety ropes should be used correctly in the operation on pipes, towers or racks which are not installed with platforms and guardrails and are above two meters above the ground or at the edges and openings of workplaces.

(5) When partial blackout operation is implemented for substation equipment or plant area, the blackout operation scope should be enclosed and isolated by the iron network or construction warning belt, and the signs of "blackout operation" or "power danger" should be suspended separately for warning purposes. After the completion of the operation, it should be confirmed that the employees who are engaged in the operation have left without the risk of induction before removal.

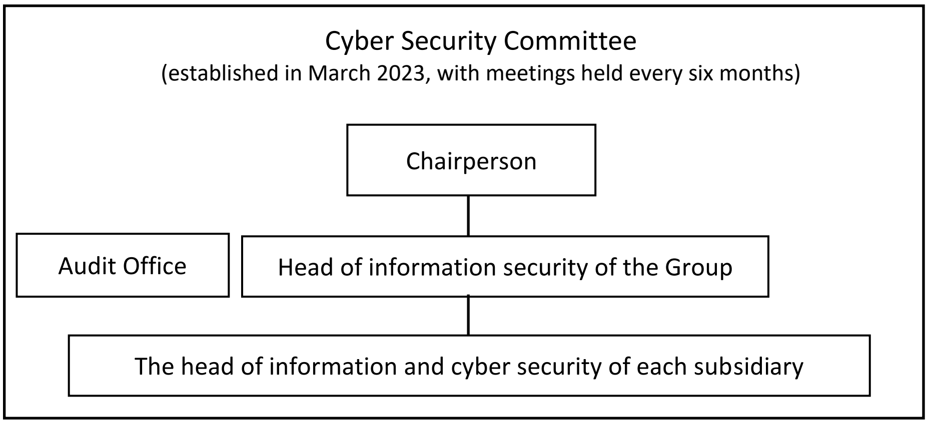
(6) Personal protective devices should be worn in accordance with the regulations of each station in work. If unsafe conditions, equipment and operation methods are found, they should be reported immediately.

(7) Chasing, bantering or other unsafe acts are prohibited in work.

(8) The maximum operating load of machines and tools should not be exceeded in use.

VI. Cyber Security Management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.



The Company officially established the Information Security Division on March 1, 2022, and the Information Security Committee on March 1, 2023. The members of the Committee are the heads of information or cyber security of the Company or subsidiaries under the Group. In each subsidiary, the cyber security promotion team is established to coordinate the formulation, execution, risk management and compliance of cyber security and protection policies.

The Company has the Information Security Committee to supervise the implementation of the Company's information security operations and the effectiveness of the information security risk management mechanism. Other than reporting the Chairperson regarding the information security management operation and the effectiveness of system implementation related to the overall information security management organization, it reports to the Board of Directors at least once a year.

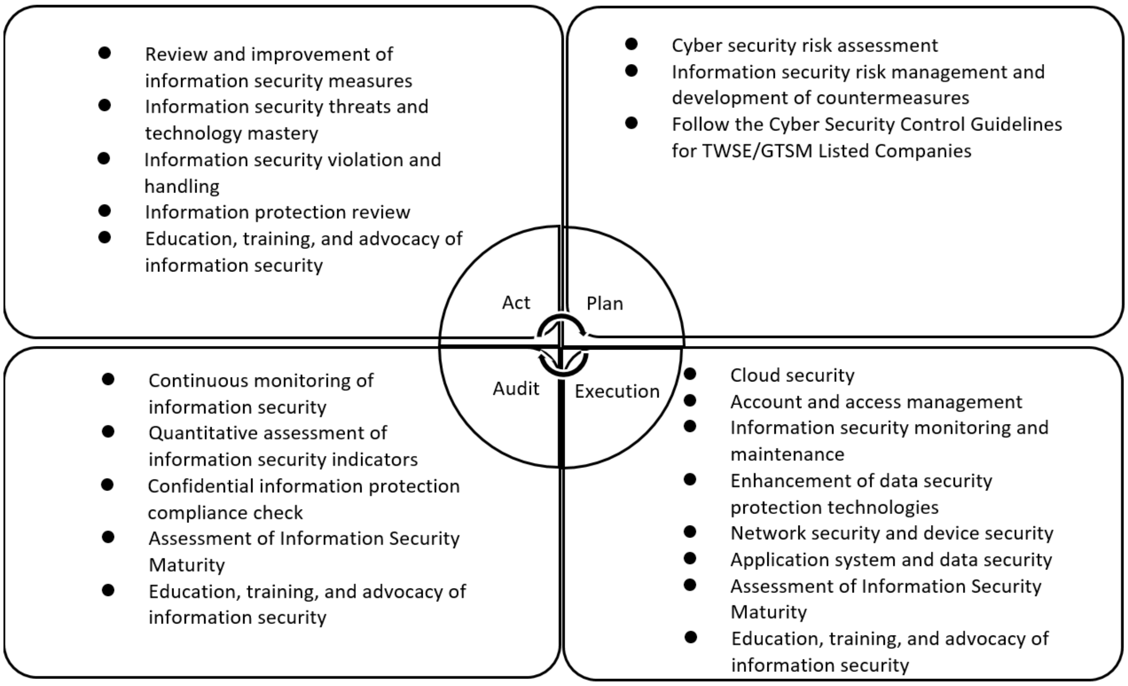
The Company is subject to annual information system and cyber security inspection led by the auditing unit, and the status of audit is regularly reported to the Board of Directors.

The Company has actively initiated the implementation of the ISO 27001 information security management system standard in January 2024 and is on track to achieve ISO 27001 certification by the end of 2024.

The Company takes “Information Security Governance” as the theme of the information security strategy – pursuit in compliance with the Information Security Policy, with timely introduction of new technologies for the improvement of the capacity in security information governance. “Compliance” – the Company reviews newly enacted legal rules and regulations and introduces new technology products for enhancing information security management. “Application of Technology” – cooperation with famous professional information security service provider to make improvement of information security governance capacity in these 3 aspects. Through close cooperation and mutual support, and endless improvement, the Company optimizes its capacity in overall information security defense.

The Company has adopted the PDCA cycle operation model to achieve the objectives and provide continuous improvement, established information security monitoring and vulnerability scanning systems to prevent external hacker intrusions and internal secret theft, and implemented strict software and hardware control (including Internet and personal information equipment) to ensure personal data and internal confidential data protection and security.

Information security risk management and continuous improvement framework:



The specific information security management programs is implemented in three major aspects to ensure effective information security protection and reduce risks:

1. Information System Security Management
   - Install endpoint protection software on servers and personal computers or laptops, and automatically update virus definitions or signatures.
   - Construct email security gateway equipped with information security modules such as spam filtering, malicious file detection, and phishing email detection in order to enhance email attack protection.
   - Important systems and databases are regularly backed up and stored off-site to ensure data availability.
   - The information system vulnerability scanning is conducted periodically and the holes in the loop of the system are fixed.
   - The computer operation systems or servers are updated for securities based on the cyber risks.

- Established a firewall in the internal network and set up firewall rules to protect important information systems.
- Performed annual disaster recovery exercise drill for important application systems.

2. Information System Access Control
   - Strictly control the application system and file access setting permissions to ensure information confidentiality.
   - Formulate and implement account/password complexity principles, and update passwords regularly to ensure the validity of identity authentication.
   - For employees who have resigned and changed departments, the information department shall adjust the permissions according to documents to ensure real-time and correct data permission & authorization.
   - The management procedures are established for non-employees (suppliers and contractors) to apply for accounts and access the systems. Once the application is approved, access will be granted for them to enter the system, and the handling status is recorded.
   - No personal terminal device is permitted to be connected with any external storage medium.
   - Personal computers are prohibited from connecting to the Company's network and resources, and the device authentication management mechanism is established.

3. Network Security Management
   - Established a firewall to protect the network's external connections, and analyzed the firewall's anomaly records to strengthen protection.
   - A multi-loop mechanism is adopted to connection to the Internet and the Company's internal network interface in order to prevent disconnection.
   - An information service monitoring platform has been set up to monitor network traffic and connection status, which can resolve any network related problems in real time.
   - The information department delivers security reminders to all colleagues irregularly to remind colleagues to remain alert for the emails received in order to prevent the increasingly serious phishing and malicious fraud letter problems.
   - The internal staff's computers all must have anti-virus software installed. Once the anti-virus control platform finds a virus, it will send a notification letter to the IT personnel for computer virus removal.
   - The remote connection to the internal network when the employees are out of office are limited to these compliant with the cyber security controls. Only these employees who are required to perform the required tasks may connect to the Company via remote connection via an authorization, and the VPN security connection with multi-factor authentication must be applied.

In light of the new trend of information security such as DDoS attack, blackmail software, community engineering software, website side recording, and loopholes, the Company joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) and SP-ISAC of the Industrial Park. Through the annual exchange with famous information security service providers and programs, the Company pays close attention to issues related to information security and planned for proper response. The Company also conducts exercise drills against DDoS and APT under different information security environments to strengthen the capacity of the management staff in response to the situation with a view to detecting and deterring attack once discovered.

Implementation results of the promotion of cyber security measures in 2023:

- The Company implements "Cyber Security Related Education and Training" to all employees every year. In 2023, each employee has completed at least one IT security related training course.
- Dedicated information security personnel (currently two designated information security personnel) has completed 41 hours of professional information security-related training in 2023.
- In 2023, social engineering drill was conducted for three times, and all users passed the test.
- The external service system vulnerability scanning monitoring scored 91 points.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

(1) Globitech Incorporated (hereinafter referred to as GTI) in the U.S., a 100% own subsidiary of the Company's subsidiary, Globalwafers, has a factory in the U.S.A. On January 22, 2023, an attack on the internal server was detected; the attack was through the password obtained from one employee by phishing mail or violent breakdown of password. However, GTI has a comprehensive backup mechanism and has fully restored normal operations on February 5, 2023.

While some of GTI's equipment was affected by this incident, there is no significant impact on the Company's finance and business due to the appropriate backup mechanism and response.

Although the incident did not cause any material damage to the Company, the Company will continue to improve and enhance the information security defense, and communicate the cyber security with employees. The future directions of improvement are as following:

1. Establish the Information Security Committee (established in March 2023).
2. Establish the Information Security Promotion Team (established in April 2023).

3. Enhance the cyber security concepts of employees.
4. The password must be at least 12 characters in length and include numbers, characters, and symbols.
5. Subsidiaries that have not yet introduced two-factor certification are required to do so as soon as possible.

VII. Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Land lease agreement	Taiwan Science Park Administration	January 26, 2008 to December 31, 2028	Area: 13,000 m^2	Limited-purpose business use
Land lease agreement	Taiwan Science Park Administration	May 26, 2020 to December 31, 2039	Area: 9,985.7 m^2	Limited-purpose business use

VI. Financial Information

I. Five-Year Concise Balance Sheet, Profit and Loss Statement and Audit Opinions of Accountants

(I) Concise Balance Sheet

1. Concise Balance Sheet- Based on IFRS (Consolidated)

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		55,165,633	52,691,024	91,219,414	116,051,678	101,377,922
Funds and investments		3,943,497	7,760,645	26,619,075	13,284,314	17,527,194
Property, plant and equipment (Note 2)		40,276,715	42,455,037	40,428,472	51,865,962	89,667,689
Intangible assets		3,227,583	2,797,463	3,025,349	7,124,580	5,695,213
Other assets (Note 2)		6,770,068	4,248,612	5,958,975	8,282,856	11,227,207
Total assets		109,383,496	109,952,781	167,251,285	196,609,390	225,495,225
Current liabilities	Before distribution	30,160,394	32,557,129	35,222,387	43,602,448	87,492,231
	After distribution	31,675,367	35,781,348	37,246,141	47,002,534	(Note 3)
Non-current liabilities		30,607,061	27,726,170	79,865,960	84,875,398	56,008,819
Total liabilities	Before distribution	60,767,455	60,283,299	115,088,347	128,477,846	143,501,050
	After distribution	62,282,428	63,507,518	117,112,101	131,877,932	(Note 3)
Equity attributable to shareholders of the parent		26,670,241	28,160,826	28,537,082	31,872,572	31,742,339
Capital stock		5,862,217	5,862,217	5,862,217	5,862,217	5,862,217
Capital surplus		21,072,595	19,481,234	18,304,186	16,846,163	16,955,211
Retained Earnings	Before distribution	3,566,891	6,213,241	9,809,686	15,138,189	19,764,133
	After distribution	2,051,918	2,989,022	7,785,932	11,738,103	(Note 3)
Other equity interest		(3,831,462)	(3,395,866)	(5,439,007)	(5,973,997)	(6,457,122)
Treasury stock		—	—	—	—	(4,382,100)
Non-controlling interest		21,945,800	21,508,656	23,625,856	36,258,972	50,251,836
Total equity	Before distribution	48,616,041	49,669,482	52,162,938	68,131,544	81,994,175
	After distribution	47,101,068	46,445,263	50,139,184	64,731,458	(Note 3)

Note 1: The financial information was audited by the CPAs.

Note 2: The Company has not conducted asset revaluation.

Note 3: As of the publication date of the annual report, the distribution of earnings for 2023 has not yet been approved by the Board of Directors.

2. Concise Balance Sheet- Based on IFRS (parent company only)

Unit: NT$ thousands

Item \ Year		Financial Information for the Last Five Years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		2,744,744	4,278,965	5,700,594	3,860,439	2,885,635
Funds and investments		28,067,953	30,594,192	31,639,209	37,485,104	41,555,058
Property, plant and equipment (Note 2)		3,226,668	3,265,859	3,086,409	3,370,618	2,317,358
Intangible assets		—	—	—	19,749	13,969
Other assets (Note 2)		249,009	307,934	339,229	281,926	269,425
Total assets		34,288,374	38,446,950	40,765,441	45,017,836	47,041,445
Current liabilities	Before distribution	1,717,781	5,094,531	7,504,149	8,852,742	11,111,909
	After distribution	3,232,754	8,318,750	9,527,903	12,252,828	(Note 3)
Non-current liabilities		5,900,352	5,191,593	4,724,210	4,292,522	4,187,197
Total liabilities	Before distribution	7,618,133	10,286,124	12,228,359	13,145,264	15,299,106
	After distribution	9,133,106	13,510,343	14,252,113	16,545,350	(Note 3)
Equity attributable to shareholders of the parent		26,670,241	28,160,826	28,537,082	31,872,572	31,742,339
Capital stock		5,862,217	5,862,217	5,862,217	5,862,217	5,862,217
Capital surplus		21,072,595	19,481,234	18,304,186	16,846,163	16,955,211
Retained earnings	Before distribution	3,566,891	6,213,241	9,809,686	15,138,189	19,764,133
	After distribution	2,051,918	2,989,022	7,785,932	11,738,103	(Note 3)
Other equity interest		(3,831,462)	(3,395,866)	(5,439,007)	(5,973,997)	(6,457,122)
Treasury stock		—	—	—	—	(4,382,100)
Non-controlling interest		—	—	—	—	—
Total equity	Before distribution	26,670,241	28,160,826	28,537,082	31,872,572	31,742,339
	After distribution	25,155,268	24,936,607	26,513,328	28,472,486	(Note 3)

Note 1: The financial information was audited by the CPAs.

Note 2: The Company has not conducted asset revaluation.

Note 3: As of the publication date of the annual report, the distribution of earnings for 2023 has not yet been approved by the Board of Directors.

(II) Concise Profit and Loss Statement and Concise Comprehensive Profit and Loss Statement

1. Concise Consolidated Profit and Loss Statement- Based on IFRS (Consolidated)

Unit: NT$ thousands; only the unit of earnings per share is NT$

Year / Item	Financial Information for the Last Five Years (Note 1)				
	2019	2020	2021	2022	2023
Operating Revenue	65,510,225	61,397,299	68,841,250	81,871,496	81,965,952
Gross profit from operations	19,267,539	21,113,599	24,526,644	31,929,262	26,686,592
Operating profit and loss	13,515,421	14,932,097	18,079,993	25,399,814	18,606,783
Non-operating income and expenses	408,748	1,306,093	(874,266)	(4,571,108)	5,942,629
Income before income tax	13,924,169	16,238,190	17,205,727	20,828,706	24,549,412
Continuing business units Net income for the current period	8,895,345	12,711,062	12,615,390	16,160,497	17,778,912
Loss from the unit out of business	—	—	—	—	—
Net income (loss) in the current period	8,895,345	12,711,062	12,615,390	16,160,497	17,778,912
Other comprehensive income (OCI) in the current period (Net income after tax)	(896,474)	498,604	(4,066,698)	(699,145)	297,544
Total comprehensive income in the current period	7,998,871	13,209,666	8,548,692	15,461,352	18,076,456
Net income attributable to shareholdes of the parent company	2,248,386	6,326,235	6,811,050	8,715,811	9,843,820
Net income attributable to non-controlling interest	6,646,959	6,384,827	5,804,340	7,444,686	7,935,092
Comprehensive income attributable to shareholders of the parent company	1,774,007	6,627,194	4,845,754	8,203,317	9,634,137
Comprehensive income attributable to non-controlling interest	6,224,864	6,582,472	3,702,938	7,258,035	8,442,319
Earnings per share	3.86	10.82	11.62	14.87	16.99

Note 1: The financial information was audited by the CPAs.

2. Concise Consolidated Profit and Loss Statement-Based on IFRS (Parent company only)

Unit: NT$ thousands; only the unit of earnings per share is NT$

Item \ Year	Financial Summary for The Last Five Years (Note 1)				
	2019	2020	2021	2022	2023
Operating Revenue	6,002,885	5,430,346	8,137,094	10,217,338	6,839,173
Gross profit from operations	(3,892,165)	182,287	838,009	1,212,683	(634,530)
Operating profit and loss	(4,362,878)	(493,050)	248,136	536,239	(1,329,794)
Non-operating income and expenses	6,689,226	6,797,708	6,566,561	8,139,118	11,195,882
Income before income tax	2,326,348	6,304,658	6,814,697	8,675,357	9,866,088
Continuing business units Net income for the current period	2,248,386	6,326,235	6,811,050	8,715,811	9,843,820
Loss from the unit out of business	—	—	—	—	—
Net income (loss) in the current period	2,248,386	6,326,235	6,811,050	8,715,811	9,843,820
Other comprehensive income (OCI) in the current period (Net income after tax)	(474,379)	300,959	(1,965,296)	(512,494)	(209,683)
Total comprehensive income in the current period	1,774,007	6,627,194	4,845,754	8,203,317	9,634,137
Net income attributable to shareholdes of the parent company	2,248,386	6,326,235	6,811,050	8,715,811	9,843,820
Net income attributable to non-controlling interest	—	—	—	—	—
Comprehensive income attributable to shareholders of the parent company	1,774,007	6,627,194	4,845,754	8,203,317	9,634,137
Comprehensive income attributable to non-controlling interest	—	—	—	—	—
Earnings per share	3.86	10.82	11.62	14.87	16.99

Note 1: The financial information was audited by the CPAs.

(III) Names of CPAs and Opinions of Audit in the Last Five Years

Year	Name of Accounting Firm	Certifying CPA	Description of opinions	Notes
2019	KPMG United Accounting Firm	Cheng-chien Chen, An-chih Cheng	Unqualified opinions	Note 1
2020	KPMG United Accounting Firm	Cheng-chien Chen, An-chih Cheng	Unqualified opinions	—
2021	KPMG United Accounting Firm	An-chih Cheng, Mei-Yu Tseng	Unqualified opinions	—
2022	KPMG United Accounting Firm	An-chih Cheng, Mei-Yu Tseng	Unqualified opinions	—
2023	KPMG United Accounting Firm	An-chih Cheng, Mei-Yu Tseng	Unqualified opinions	—

Note 1: The financial statements of the invested company in the previous financial statements have not been audited by this accountant, but by other accountants. Therefore, in the opinions expressed by this accountant in the previous financial statements, the amount listed in the financial statements of the invested company is based on the audit report of other accountants.

II. Financial Analysis for the Last Five Years

(I) Financial Analysis-Based on IFRS (Consolidated)

Item (Note 2)	Year	Financial analysis of the last 5 years (Note 1)				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt ratio	56	55	69	65	64
	Ratio of long-term capital to property, plant and equipment	197	182	327	295	154
Solvency (%)	Current ratio	183	162	259	266	116
	Quick ratio	157	136	232	239	101
	Interest earned ratio (times)	88.22	153.71	206.77	115.69	32.80
Operating performance	Accounts receivable turnover (times)	7.13	7.26	7.53	7.71	6.96
	Average collection period	51.19	50.27	48.47	47.34	52.44
	Inventory turnover (times)	6.05	5.26	5.35	5.14	4.74
	Accounts payable turnover (times)	9.82	9.61	10.08	10.28	9.97
	Average days in sales	60.33	69.39	68.22	71.01	77.00
	Property, plant and equipment turnover (times)	1.69	1.48	1.66	1.77	1.16
	Total assets turnover (times)	0.61	0.56	0.50	0.45	0.39
Profitability	Return on assets (%)	8.45	11.67	9.29	9.12	8.72
	Return on equity (%)	18.43	25.87	24.78	26.87	23.69
	Pre-tax income to paid-in capital (%)	237.52	277.00	293.50	355.30	418.77
	Net Profit Margin (%)	13.58	20.70	18.33	19.74	21.69
	Earnings per share (NTD)	3.86	10.82	11.62	14.87	16.99
Cash Flow	Cash flow ratio (%)	62.44	44.79	87.96	88.99	22.94
	Cash Flow Adequacy Ratio (%)	181.54	159.60	152.26	137.77	107.08
	Cash reinvestment ratio (%)	13.42	8.90	15.27	15.64	5.54
Leverage	Operating leverage	2.27	2.20	2.04	1.29	1.47
	Financial leverage	1.01	1.01	1.02	1.02	1.04

Please explain the reasons for the changes in financial ratios in the last two years. (If the increase or decrease does not reach 20%, the analysis can be exempted)

1. Ratio of long-term capital to property, plant and equipment: The long-duration debt issued are transferred to current liabilities with the maturity date, and the plant expansion in the semiconductor business, resulted in increase in fixed assets and thus a decrease in the relative ratio.
2. Current ratio: The long-duration debt issued are transferred to current liabilities with the maturity date, resulted in a decrease in the current ratio.
3. Quick ratio: The long-duration debt issued are transferred to current liabilities with the maturity date, resulted in a decrease in the quick ratio.
4. Interest earned ratio: The increase in borrowings for plant expansion resulted in an increase in interest expenses and a decrease in Interest earned ratio.
5. Property, plant and equipment turnover ratio: The plant expansion in semiconductor business was in progress and not yet commissioned, resulted in a decrease in the relative ratio.
6. Cash flow ratio: the relative ratio decreased due to factors such as the offset of contract liabilities and accounts receivable, the issuance of long-duration bonds transferred to current liabilities, and borrowings.
7. Cash flow adequacy ratio: the relative ratio decreased due to the increase in fixed assets of the semiconductor business expansion and the decrease in dividend outflow due the expansion.
8. Cash reinvestment ratio: the relative ratio decreased due to the increase in fixed assets of the semiconductor business expansion and the borrowings due the expansion.

Note 1: The financial information was audited by the CPAs.

Note 2: At the end of this table in the annual report, the following calculation formulas should be listed:

1. Financial structure
   (1) Debt ratio = total liabilities/total assets
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment
2. Solvency
   (1) Current ratio = current assets/current liabilities.
   (2) Quick ratio = (current assets-inventory-prepaid expenses)/ current liabilities.
   (3) Interest earned ratio (times) = net income before income tax and interest expense/ interest expenditure of the current period.
3. Operating performance
   (1) Accounts receivable (including receivables and notes receivable arising from business) turnover ＝net sales/ average receivable balance of different periods (including receivables and notes receivable arising from business).
   (2) Average collection period = 365/receivables turnover.
   (3) Inventory turnover (times) = cost of sales/average inventory.
   (4) Accounts payable (including accounts payable and notes payable arising from business) turnover ＝cost of sales/ average payable balance of different periods (including accounts payable and notes payable arising from business).
   (5) Average days in sales = 365/inventory turnover.
   (6) Property, plant and equipment turnover (times) = net sales/average net property, plant and equipment turnover.
   (7) Total assets turnover (times) = net sales/total average assets.
4. Profitability
   (1) Return on total assets (%) = after-tax profits and losses + interest expenses × (1-tax rate)/ average total assets.
   (2) Return on stockholders' equity (%) = after-tax profits and losses/total average equity.
   (3) Profit ratio (%) = after-tax profits and losses /net sales.
   (4) Earnings per share = profits and losses attributable to shareholders of the parent - special dividend) / weighted average number of issued shares (Note 3)
5. Cash flow
   (1) Cash flow ratio = net cash flow of business activities/current liabilities.
   (2) Cash flow adequacy ratio = net cash flow of business activities in the last five years/ (capital expenditure + inventory increase + cash dividend) of the last five years.
   (3) Cash reinvestment ratio= (net cash flow of business activities - cash dividend)/ (gross property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 4)
6. Leverage:
   (1) Operating leverage = (net operating income - variable operating costs and expenses) / operating benefits (Note 5).
   (2) Financial leverage = operating benefits/ (operating benefits-interest expense).

(II) Financial Analysis-Based on IFRS (standalone)

Item (Note 2) \ Year		2019	2020	2021	2022	2023
		Financial Analysis for the Past Five Years (Note 1)				
Financial structure (%)	Debt ratio	22	27	30	29	33
	Ratio of long-term capital to property, plant and equipment	1,009.42	1,021.24	1,077.67	1,072.95	1,550.45
Solvency (%)	Current ratio	159.78	83.99	75.97	43.61	25.97
	Quick ratio	137.79	74.12	64.06	30.91	20.38
	Interest earned ratio (times)	88.79	909.94	772.29	400.01	160.55
Operating performance	Accounts receivable turnover (times)	10.14	12.12	13.32	12.6	8.87
	Average collection period	36.00	30.12	27.40	28.97	41.15
	Inventory turnover (times)	21.38	13.25	12.37	9.93	8.87
	Accounts payable turnover (times)	21.19	10.28	14.53	12.88	9.16
	Average days in sales	17.10	27.50	29.50	36.80	41.10
	Property, plant and equipment turnover (times)	1.76	1.67	2.56	3.16	2.40
	Total assets turnover (times)	0.17	0.15	0.21	0.24	0.15
Profitability	Return on assets (%)	6.60	17.41	17.22	20.37	21.50
	Return on equity (%)	8.40	23.08	24.03	28.86	30.95
	Pre-tax income to paid-in capital (%)	39.68	107.55	116.25	147.99	168.30
	Net Profit Margin (%)	37.46	116.50	83.70	85.30	143.93
	Earnings per share (NT$)	3.86	10.82	11.62	14.87	16.99
Cash Flow	Cash flow ratio (%)	68.36	0.26	21.31	3.85	7.64
	Cash flow adequacy ratio (%)	15.36	18.23	19.29	15.87	17.20
	Cash reinvestment ratio (%)	(1.56)	(7.66)	(9.94)	(10.93)	(10.88)
Leverage	Operating leverage	0.69	(2.01)	6.55	1.86	0.56
	Financial leverage	0.99	0.98	1.05	1.05	0.95

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)

1. Ratio of long-term capital to property, plant and equipment: mainly due to the depreciation of fixed assets and the provision for fixed asset impairment in response to solar energy products, resulting in an increase in the relative ratio.
2. Current ratio: mainly due to borrowing for dividends payment and new reinvestment, resulting in an increase in current liabilities and thus a decrease in the relative current ratio.
3. Quick ratio: mainly due to borrowing for dividends payment and new reinvestment, resulting in an increase in current liabilities and thus a decrease in the relative quick ratio.
4. Interest earned ratio: mainly due to borrowing for dividends payment and new reinvestment, resulting in an increase in interest expenses, and thus a decrease in interest earned ratio.
5. Accounts receivable turnover ratio and average collection days: mainly due to the solar energy product alteration and market demand remained to be see, resulting in a decline in revenue, and thus the corresponding accounts receivable turnover ratio decreased and the average collection days increased.
6. Accounts payable turnover ratio: mainly due to the solar energy product alteration and market demand remained to be see, resulting in a decline in revenue, and thus the idle production capacity increased and impairment of fixed assets was provided, the relative accounts payable turnover ratio decreased.
7. Average sales days: mainly due to the solar energy product alteration and market demand remained to be see, resulting in a decline in revenue, and thus the idle production capacity increased and impairment

of fixed assets was provided, the relative inventory turnover ratio declined, and the average sales days increased.

8. Property, plant and equipment turnover ratio: mainly due to the decrease in demand for the solar energy market as products alter, resulting in a decrease in revenue and the impairment of fixed assets provided, the turnover ratio decreased.
9. Total asset turnover ratio: mainly due to the decrease in demand for the solar energy market as products alter, resulting in a decrease in revenue and the more reinvestments recognized, the turnover ratio decreased.
10. Net profit margin: mainly due to the profit from semiconductor reinvestment, resulting in an increase in net profit after tax, and an increase in relative net profit margin.
11. Cash flow ratio: mainly due to the contract liabilities entered with the semiconductor companies of the Group in 2021, resulting in a significant decrease in cash flow last year relatively, and a relative increase in cash flow in the current period, resulting in an increase in cash flow ratio.
12. Operating leverage: mainly due to the decrease in demand for the solar energy market as products alter, resulting in a net operating loss and a decrease in relative operating leverage.

Note 1: The financial information was audited by the CPAs.

Note 2: At the end of this table in the annual report, the following calculation formulas should be listed:

1. Financial structure
   (1) Debt ratio = total liabilities/total assets
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities)/ net property, plant and equipment
2. Solvency
   (1) Current ratio = current assets/current liabilities.
   (2) Quick ratio = (current assets-inventory-prepaid expenses)/ current liabilities.
   (3) Interest earned ratio (times) = net income before income tax and interest expense/ interest expenditure of the current period.
3. Operating performance
   (1) Accounts receivable (including receivables and notes receivable arising from business) turnover ＝net sales/ average receivable balance of different periods (including receivables and notes receivable arising from business).
   (2) Average collection period = 365/receivables turnover.
   (3) Inventory turnover (times) = cost of sales/average inventory.
   (4) Accounts payable (including accounts payable and notes payable arising from business) turnover ＝cost of sales/ average payable balance of different periods (including accounts payable and notes payable arising from business).
   (5) Average days in sales = 365/inventory turnover.
   (6) Property, plant and equipment turnover (times) = net sales/average net property, plant and equipment turnover.
   (7) Total assets turnover (times) = net sales/total average assets.
4. Profitability
   (1) Return on total assets (%) = after-tax profits and losses + interest expenses × (1-tax rate)/ average total assets
   (2) Return on stockholders' equity (%) = after-tax profits and losses/total average equity
   (3) Profit ratio (%) = after-tax profits and losses /net sales.
   (4) Earnings per share = profits and losses attributable to shareholders of the parent - special dividend) / weighted average number of issued shares (Note 3)

5. Cash flow

(1) Cash flow ratio = net cash flow of business activities/current liabilities.

(2) Cash flow adequacy ratio = net cash flow of business activities in the last five years/ (capital expenditure + inventory increase + cash dividend) of the last five years.

(3) Cash reinvestment ratio= (net cash flow of business activities - cash dividend)/ (gross property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 4)

6. Leverage:

(1) Operating leverage = (net operating income - variable operating costs and expenses) / operating benefits (Note 5).

(2) Financial leverage = operating benefits/ (operating benefits-interest expense).

III. Audit Committee’s Report in the Most Recent Years

Audit Committee’s Audit Report

The Board of Directors has prepared the Company’s 2023 Business Report, Consolidated and Standalone Financial Statements. 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 Auditing Committee has reviewed the business report, consolidated financial statements, individual financial statements and did not find any instances of noncompliance. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, it is hereby submitted for your review and perusal.

Sincerely

Shareholders' Regular Meeting in 2024

Sino-American Silicon Products Inc.

Convenor of the Audit Committee:
Jin-Tang Liu

February 29, 2024

IV. Financial Statements for the Latest Year

Please refer to Annex I of the annual report.

V. Standalone Financial Statements for the Latest Year

Please refer to Annex II of the annual report.

VI. Difficulties in Financial Turnover in the Most Recent Years and Up to the Date of Publication of the Annual Report of the Company and Its Affiliated Company

None.

VII. Review of Financial Conditions, Operating Results, and Risk Management

I. Analysis of Financial Status

Unit: NT$ thousands

YearItem	2023	2022	Difference	
			Amount	%
Current assets	101,377,922	116,051,678	-14,673,756	-12.64
Financial assets at fair value through other comprehensive income- non-current	3,464,865	1,444,845	2,020,020	139.81
Financial assets measured at amortized cost- non-current	-	-	-	-
Investment accounted for using equity method	1,494,831	2,507,749	-1,012,918	-40.39
Property, plant and equipment	89,667,689	51,865,962	37,801,727	72.88
Intangible assets	5,695,213	7,124,850	-1,429,637	-20.06
Other assets	23,794,705	17,614,306	6,180,399	35.09
Total assets	225,495,225	196,609,390	28,885,835	14.69
Current liabilities	87,492,231	43,602,448	43,889,783	100.66
Non-current liabilities	56,008,819	84,875,398	-28,866,579	-34.01
Total liabilities	143,501,050	128,477,846	15,023,204	11.69
Ordinary shares	5,862,217	5,862,217	-	-
Capital surplus	16,955,211	16,846,163	109,048	0.65
Retained earnings	19,764,133	15,138,189	4,625,944	30.56
Other equity interest	-6,457,122	-5,973,997	-483,125	8.09
Treasury stock	-4,382,100	-	-4,382,100	-
Non-controlling interest	50,251,836	36,258,972	13,992,864	38.59
Total equity	81,994,175	68,131,544	13,862,631	20.35

The major changes in assets, liabilities and shareholders' equity in the last two years (those with changes of more than 20% in the early and late stages and the amount of changes of NT$10 million) and their effects and future plans:

1. Financial assets measured at fair value through other comprehensive income - non-current: Mainly due to the reinvestment brought in by the new reinvestment in Billion Electric and Actron Technology consolidated in the consolidated statements for the current period.
2. Investment accounted for using equity method: mainly due to adoption of equity method arising from the consolidation of reinvestments, Actron Technology, Crystalwise Technology, and Global Hope Investments into the consolidated financial statements in the current period, resulting in a decrease in the amount of investments under the equity method.
3. Property, plant and equipment: mainly due to the increase in capital expenditure for the expansion of semiconductor business group.

4. Intangible assets: The intangible assets of Advanced Wireless Semiconductor consolidated into the consolidated financial statements evaluated pursuant to the Bulletin of Accounting for the period, and the relative impairment was provided.
5. Other assets: mainly due to the increase in relative valuation of assets resulted from the market value of overseas securities invested, and increase in relative right-of-use assets for the demand for semiconductor plant expansion, deferred income tax assets and prepayment of equipment not yet delivered in the current period.
6. Current liabilities: mainly due to issuance of long-duration bonds reclassified to current liabilities on the maturity date, resulting in an increase in current liabilities.
7. Non-current liabilities: mainly due to issuance of long-duration bonds and contract liabilities reclassified to current liabilities on the maturity date.
8. Retained earnings: mainly the profits generated from operations in the current period.
9. Treasury stock: mainly the SAS shares held by Actron Technology and Hongwang Investment, both consolidated in the consolidated statements, are recognized as transactions of treasury stock in the consolidated statements.
10. Non-controlling interest: mainly due to the reinvestment profit of the semiconductor business and the consolidation of Actron Technology into the consolidated statements, resulting in an increase in non-controlling equity.

II. Analysis of Operation Results

(I) Comparative analysis of operation results

Unit: NT$ thousands

Item \ Year	2023	2022	Variation ratio	
			Increased or decreased amount	(%)
Operating revenues	81,965,952	81,871,496	94,456	0.12
Operating costs	55,279,360	49,942,234	5,337,126	10.69
Gross profit from operations	26,686,592	31,929,262	-5,242,670	-16.42
Operating expenses	8,079,809	6,529,448	1,550,361	23.74
Net operating income	18,606,783	25,399,814	-6,793,031	-26.74
Non-operating income and expenses	5,942,629	-4,571,108	10,513,737	-230.00
Income before income tax	24,549,412	20,828,706	3,720,706	17.86
Income tax expenses	6,770,500	4,668,209	2,102,291	45.03
Net income for the current period	17,778,912	16,160,497	1,618,415	10.01
Total comprehensive income in the current period	18,076,456	15,461,352	2,615,104	16.91

Description of analysis on the change in the ratio of increase to decrease:

1. Gross profit from operations: mainly due to the increase in operating costs of the Semiconductor Business Group (energy, depreciation, and other factors), and the increase in the amount of idle products due to replacement in the Solar Energy Business Group, as well as the impairment loss on fixed assets, resulting in the reduced the relative gross profit.
2. Non-operating income and expenses: mainly due to recognition of valuation gain on foreign equity investment in the current year.
3. Income tax expense: Primarily due to the decision to retain overseas earnings last year to support semiconductor business expansion, a reversal of deferred income tax liabilities occurred.

III. Analysis of Cash Flow

(I) Liquidity analysis in the last two years

YearItem	2023	2022	Variance (%)
Cash Flow Ratio (%)	22.94%	88.99%	-66.05%
Cash Flow Adequacy Ratio (%)	107.08%	137.77%	-30.69%
Cash Reinvestment Ratio (%)	5.54%	15.64%	-10.10%

Description of analysis on the change in the ratio of increase to decrease:

1. Cash flow ratio: the relative ratio decreased due to factors such as the offset of contract liabilities and accounts receivable, the issuance of long-duration bonds transferred to current liabilities, and borrowings.
2. Cash flow adequacy ratio: the relative ratio decreased due to the increase in fixed assets of the semiconductor business expansion and the decrease in dividend outflow due the expansion.
3. Cash reinvestment ratio: the relative ratio decreased due to the increase in fixed assets of the semiconductor business expansion and the borrowings due the expansion.

(II) Cash Flow Analysis for the Coming Year

Unit: NT$ thousands

Cash, Beginning of Year	Net Cash Flow from Operating Activities	Cash Outflow	Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
30,827,503	18,107,026	(19,704,435)	29,230,094	—	—

1. Cash Flow Analysis of 2024
   A. Operating activities: the inventory adjustment by customers resulting in the recovery expected for the semiconductor industry in the second half of the year. In addition, due to the Group's active expansion of production capacity, continuous shipment and incentivized transformation of solar products, it is expected that the net cash flow from operating activities will be the net cash inflow
   B. Investing activities: The Company receives cash dividends from the investment company and pay for domestic and foreign investment, capital expenditure and distributed dividends with them.
   C. Financing activities: Mainly via repayment (borrowing) of loans and payment of dividends.
2. The remedial measures and liquidity analysis of the anticipated cash shortfall: None.

IV. Major Capital Expenditure Items influence on Financial Business

(I) The use of major capital expenditures and sources of funds: None.

(II) Major capital expenditures are expected to yield benefits: None.

V. Recent Reinvestment Policy, Major Reasons for Profits or Losses, Improvement Plan and Investment Plan for the Following Year

1. Reinvestment policy

   The Company's reinvestment policy is based on the Company's future direction of operation and implemented step by step. At this stage, the strategy alliance or reinvestment of various business links with higher added value in the supply chain of solar energy industry is used to provide comprehensive operation results.

2. Major reasons for profits or losses of reinvestment, improvement plan and investment plan for the next year

Unit: NT$ thousands

Reinvestment Company	2023 Recognized (Losses) Profits	Main Causes of Profits or Losses	Improvement Plan	Investment Plan for the Next Year
Sino Silicon Technology Inc.	1,634	Mainly the gains from time deposit in banks and exchange	None	None
GlobalWafers Co., Ltd.	10,116,362	Mainly the demand in semi-conductor market resulting in continuous profits	None	None
Accusolarpower Co., Ltd.	(358)	Mainly due to the impact of COVID-19 on project development and generation of pre-tax losses	None	None
Aleo Solar GmbH	(20,745)	Mainly due to product alteration, wait-and-see attitude of the market, and impairment of fixed assets recognized, losses were generated	Accelerate new product development	None
Aleo Solar Distribuzione Italia S.r.l	4,073	Italy offers subsidies for solar modules and resulted in operating profits	None	None
SAS Sunrise Inc.	21,282	Cayman Holdings, an overseas power plant	None	None
Sulu Electric Power and Light Inc.	21,201	Philippines power plant generated operating profit	None	None

Reinvestment Company	2023 Recognized (Losses) Profits	Main Causes of Profits or Losses	Improvement Plan	Investment Plan for the Next Year
		with stable power generation and incomes from power		
Taiwan Specialty Chemicals Co., Ltd.	33,295	Specialty gases market and customer development generated operating profit	None	None
Actron Technology Corporation	161,771	Vehicle generator diodes take the leading position in the market and with normal operation	None	None
Advanced Wireless Semiconductor Technology	(57,649)	The demand for mobile phone chips has recovered, but the intangible asset value in the consolidated financial statements were assessed based on the Bulletin of Accounting and losses are provided.	None	None
Sunrise PV Three Co., Ltd.	884	Power generation business	None	None
SAS Capital Co., Ltd.	(12,415)	Mainly the interest expense arising from borrowing of funds for investment	Continue to monitor investment targets to control investment risks	None
Sustainable Energy Solution Co., Ltd.	(1,455)	Sales of power from renewable energy and technical services	Expansion of renewable energy entities as a source of profit	None
Sustainable Hydropower Energy Co., Ltd.	(131)	During the initial period of the company, necessary operating expenses incurred	Actively expand the development of hydropower, to become a source of profit	None

Unit: NT$ thousands

Name of Reinvestment Undertakings	Investment (Losses) Profits Recognized in 2023	Main Causes of Profits or Losses	Improvement Plan	Investment Plan for the Next Year
Global Semiconductor Inc.	248,641	The business condition is normal	None	None
GlobalWafers Japan Co., Ltd.	1,527,429	Business and profits are stable	None	None
GlobalWafers GmbH	1,844,958	The business condition is normal	None	None
GlobalWafers Singapore Pte. Ltd. (Former GWafers Singapore Pte. Ltd.)(Note)	3,464,546	The business condition is normal	None	None
GlobalWafers B.V.	4,244,105	The business condition is normal	None	None
Sunrise PV Four Co., Ltd.	10,946	The business condition is normal	None	None
Sunrise PV Electric Power Five Co., Ltd.	(835)	The business condition is normal	None	None
GWC Capital Co., Ltd.	13,589	The business condition is normal	None	None
Hong-Wang Investment Company	66,721	The business condition is normal	None	None
Crystalwise Technology Inc.	(17,824)	The business condition is normal	None	None
Crystalwise Technology (HK) Limited	(112)	The business condition is normal	None	None
Yuanhong (Shandong) Photovoltaic Materials Co., Ltd.	94	The business condition is normal	None	None
Kunshan Sino Silicon Technology Co. Ltd.	241,943	Business and profits are stable	None	None
MEMC Electronic Materials Sdn. Bhd.	62,322	Business and profits are stable	None	None
Kunshan SST Trading Co. Ltd.	46,598	The business condition is normal	None	None
Shanghai Sawyer Shenkai Technology Material Co., Ltd.	(53,330)	The business condition is normal	None	None
Yuan Hong Technical Materials Ltd.	(21,665)	The business condition is normal	None	None
MEMC Japan Ltd.	133,801	Business and profits are stable	None	None
MEMC Electronic Materials S.p.A.	556,150	Business and profits are stable	None	None
MEMC Electronic Materials France SarL	707	The business condition is normal	None	None

Name of Reinvestment Undertakings	Investment (Losses) Profits Recognized in 2023	Main Causes of Profits or Losses	Improvement Plan	Investment Plan for the Next Year
GlobiTech Incorporated	896,027	Business and profits are stable	None	None
MEMC LLC	427,203	Business and profits are stable	None	None
GlobalWafers America, LLC	(118,571)	The business condition is normal	None	None
MEMC Korea Company	2,363,342	Business and profits are stable	None	None
MEMC Ipoh Sdn. Bhd.	826	Operation discontinued	None	None
Topsil GlobalWafers A/S	165,231	Business and profits are stable	None	None
Ding-Wei Technology Co., Ltd	18,842	Business and profits are stable	None	None
Smooth International Limited Corporation	1,353	The business condition is normal	None	None
Smooth Autocomponent Limited	1,353	The business condition is normal	None	None
Actron Technology (QingDao) Corporation	1,353	Business and profits are stable	None	None
REC Technology Corporation	1,996	Business and profits are stable	None	None
Mosel Vitelic Inc.	(35,176)	Declining market demand	Improve product structure and reduce production costs	None
Bigbest solution, Inc.	(2,990)	Declining market demand	Expand product sales channels and reduce production costs	None
Excelliance MOS Corporation	904	Business and profits are stable	None	None
Mao Fu Investment Consultant Ltd.	(46)	The business condition is normal	None	None
Baode Investment Ltd.	1	Currently in the process of liquidation	None	None
DenMOS Technology Inc.	(4,221)	The business condition is normal	None	None
Giant Haven Investments Ltd.	(2,694)	The business condition is normal	None	None

Note: Our Singapore subsidiaries, GWafers Singapore Pte. Ltd. and GlobalWafers Singapore Pte. Ltd., merged on January 1, 2023. The surviving entity, GWafers Singapore Pte. Ltd., was subsequently renamed GlobalWafers Singapore Pte. Ltd.

VI. Risk Management and Assessment

A. The organizational structure of the Company's risk management, its implementation and responsible units are as follows:

1. Board of Directors: ay attention to relevant government decree at all times, review relevant company management measures, and ensure the effectiveness of company management rights and operational risk management.
2. President’s Office: It is mainly responsible for evaluation and execution of response strategies of business decision-making risks, legal risks of the Company, and employee crisis risk management.
3. Audit Office: Mainly link the Company's objectives, risk tolerance and strategies, and actively assist company managers to deal with all the interrelated risks of the whole enterprise.
4. MIS: The unit responsible for maintaining the software and hardware equipment related to the information system and implementing the responding strategies.
5. Information Security Department: The responsible unit for the evaluation and execution of network information security and operational risks.
6. Administration: Responsible unit for the evaluation and control of human resources allocation and response, and the evaluation and execution of response strategies of relevant legal business and compliance.
7. Accounting Dept.: Responsible unit for the evaluation and execution of response strategies of relevant financial risk management of the Company, mainly for the evaluation and control of interest rate, exchange rate and financial risk, liquidity risk and credit risk.
8. Procurement: The executing unit which avoids the risk that the purchaser will drive up the price because of monopoly and avoids the risk of concentration of the purchasers.
9. Sales: Responsible unit for the evaluation and execution of response strategies of market risks, and customer accounts receivable management, in order to reduce risks of the Company's order receiving process.
10. Manufacturing: mainly responsible for product production, yield and abnormality management, use and scrap of raw materials, and capacity expansion planning and implementation.
11. R&D: Responsible unit for the evaluation and execution of response strategies for product design and process risks and product life cycle risks.
12. The Company systematically manages and controls risks of the products and processes.

    Execution and responsible units: R&D unit is responsible for new product development, risk identification, evaluation and control of derivative products and other activities. Business unit is responsible for information monitoring after product launching, collection, and customer feedback. The quality assurance, manufacturing, legal and intellectual property units are responsible for assisting the relevant processes of the process.

Responding measures: In the early stage of new product development, R&D unit began to analyze the patent distribution of international competitors based on TIPS and APQP operating system, formulated R&D strategies to avoid patent infringement, ensured the rights and interests of the Company and customers, and continuously grasped the world's technological trends in the process of product development and production, so as to respond to changes in product life cycle in advance. The process unit regularly reviews whether it should introduce new processes or overcome the deficiencies of existing processes according to the functions of products and customer complaints, to prevent product risks.

B. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

1. Changes in interest rates

The Company and its subsidiaries have a sound financial health and good credit history, so financial institutions credit conditions are more favorable, which the Company can enjoy better conditions on the cost of borrowing. The content of the loan according to the real capital needs divided into short-term loans and medium- and long-term borrowings. The Company bases on the cost of funds and repayment conditions as the benchmarks for the evaluation to the term of a loan. The Company will adjust financing tools to reduce the risk of interest rate fluctuation according to the fluctuation of interest rate.

2. Exchange rate fluctuation

The foreign currency positions of the Company's and subsidiaries' purchase and sale transactions are based on the principle of natural hedging between the liabilities and asset positions. To minimize the net positions exposed to the fluctuation risk of exchange rates, the financial department closely observes the exchange rate trend. If necessary, the Company will also work with foreign exchange operation tools for the purpose of hedging to reduce the impact of exchange rate fluctuations on operating costs.

3. Inflation

With rising pressure from global inflation impacting world economy and squeezing business profits, the Company reduced front-end purchasing costs by partnering with multiple suppliers and actively negotiating prices, and concurrently adjusted end selling prices to retain profits. The Company and its subsidiaries also monitored price fluctuations at all times, taking corresponding measures as needed.

B. Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

1. According to policy considerations, the Company and its subsidiaries are not engaged in high-risk and highly leveraged investment.
2. The Company and its subsidiaries are engaged in capital lending, endorsement guarantee and derivative commodity transactions in accordance with the Operating Procedures for Loan to Others, Measures for Endorsement Guarantees, Treatment Procedures for Derivative Commodity Transactions and relevant regulations of the competent authorities. The executing unit also makes internal audit and supervision in accordance with relevant management measures based on regular audit and announcement, which will not result in risks to operation.

D. Future Research & Development Projects and Corresponding Budget

Recent Annual Plan	Expected Research Expenditure	Time to completed mass production	Main Influencing Factors of the Success of Future R&D
Development of ultra-high efficiency mono-si bi-facial solar cell technology	NT$200 million	2025	Introduction of advanced process technology and equipments

E. Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales in Recent Years at Home and Aboard:

Except that our daily operations are regulated by the relevant laws and regulations at home and abroad, we always pay attention to the development trend and change of policies and regulations at home and abroad, in order to fully grasp the changes of market environment, and timely take the initiative to propose response measures. Up to the date of publication of the prospectus, our group has not been affected by major changes in policies and laws at home and abroad.

F. Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales in Recent Years:

In 2023, the vertically integrated manufacturers in China actively eliminated small-size PERC process capacity, and the mainstream shipments switched to the Topcon process. In 2023, it is estimated that the Topcon module shipments will account for 30-35% for the full year. The Company will continuously observe the market situation and take the following response measures:

(1) Continue to optimize and enhance the power generation efficiency of solar cells, launch high-efficiency large-size cell products, and actively launch Topcon process products to enhance the competitiveness of customers' products.
(2) Rapidly increase the development energy of new technologies and new products, and continuously invest in the growth of high-efficiency polycrystal silicon crystal and the development of precision processing technology of custom-made silicon ingot, in order to create the core competitive advantages.
(3) Actively expand the layout of solar power generation system, respond to the government's policy of vigorous promotion of renewable energy, invest in new

business opportunities after Taiwan's installation tide in a large number, and accumulate the integration capacity of after-sales maintenance and operation of power plant through the investment of the Group in Taiwan's solar power plant.

In terms of information security, the company has established network and computer-related information security protection measures, and has continuously reviewed and evaluated information security management methods and procedures to ensure their appropriateness and effectiveness. The company continues to strengthen information security protection measures in order to protect the company from malicious software and hacker attacks. In addition, it has established a complete backup mechanism to restore the normal operation of the system in a very short period of time after being attacked and minimize damage.

G. The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures in Recent Years:

Since its establishment, the Company has adhered to the business philosophy of “honesty, professionalism, team and innovation”, emphasizes the principle of honesty, stimulates individual creativity with cordiality, dedication, activeness and professionalism, and demonstrates the Company's unique culture through the tacit understanding of the team, and continuous innovation of technologies and management. The Company was again ranked top 5% in the 10th (2023) Corporate Governance Evaluation, which demonstrates the Company’s determination to strive for transparency, integrity, and sustainability. At the same time, the Company will continue to adhere to the principle of good faith to show the blueprint of corporate governance and strengthen the Company's physique to improve business performance and implement corporate social responsibility.

H. Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans in Recent Years:

Up to the date of publication of the annual report, the Company has no plan for merger and acquisition.

I. Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans in Recent Years: None.

J. Risks associated with over-concentration in purchase or sale in recent years: None.

K. Impact of mass transfer of equity by or change of directors, supervisors, or shareholders holding more than 10% interest on the Company, associated risks and response measures in recent years: No such situation.

L. Effects of, Risks Relating to and Response to the Changes in Management Rights in Recent Years: None.

M. Litigious and non-Litigious Matters in Recent Years: If there has been any material impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, general manager, de facto responsible person, or major shareholder with a stake of more than 10 percent, and the matter was finalized or remained pending, the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case up to the publication date of the annual report shall be disclosed: None.

VII. Other Major Events

Intellectual property management and risk countermeasures:

Intellectual property management strategy
“Enhancing Innovation Capability” and “Strengthening Confidentiality Mechanism” is the two main management strategies of SAS. Not only performing independent research and development base on innovation capabilities but also via technological-industrial cooperation or strategic alliances to stimulate technological capabilities. As for the confidentiality mechanism, strengthen the control of various business secrets as well as establish specifications for the use of electronic mail and electronic storage devices to ensure that key technologies do not flow out and maintain the company's competitive energy.

Intellectual property management system
SAS began to introduce the “Taiwan Intellectual Property Management System (TIPS)” system in 2010, and gradually established an intellectual property management system, which included a patent management system for e-management and the use of a patent search system to improve the effectiveness of previous cases. At the same time, the Company conducts internal audits regularly to implement the management system. SAS has been introducing TIPS until now, the in-depth verification was passed in 2012, the AA-grade verification was passed in 2016, and TIPS A verification was passed in 2023. The certificates are valid up to December 31, 2024.

Possible risks and counter measurers
In order to avoid the loss caused by the leakage of the company's key technologies, the company conducts confidential management and control especially for personnel, equipment, environment, documents, etc., such as holding courses related to intellectual property management, strengthening the concept of personnel confidentiality protection; strengthening employees' awareness of phishing emails to avoid information security Hazards; control for outgoing emails, use of electronic storage devices (USB), camera shooting in control areas, etc.; define file levels in detail, and set up corresponding management mechanisms according to different file levels. Various means to keep confidential information properly and reduce the risk of leakage.

2022 Execution of Intellectual Properties

Intellectual property management strategy	Summary of the execution
Improve the innovation ability	With the development and production of key materials as the main axis, the development and production of preparation technology is carried out through cooperation with academic and research units, and the patent layout is carried out for the process and equipment.
Strengthen the confidentiality mechanism	In 2023, the TIPS internal audit will be held in August to strengthen the confidentiality protection mechanism and improve the implementation of the intellectual property management system by colleagues. There are 118 audits in total, 3 missing items and 3 suggested observation items, all of which have been corrected and preventive measures improved.

Key achievements of intellectual property, main purpose of use and contribution

SAS Group (including its subsidiary GlobalWafer's Group) has accumulated a total of 2340 valid patents, including 1431 valid patents and 909 patents in application, covering different materials and technical fields such as solar energy and semiconductors.

For the Group, intellectual property rights not only demonstrate the strength of technological development, but also create opportunities for strategic alliances, enhance the overall competitiveness of the Company, and win the trust and recognition of customers. When developing new technologies or products, it is important to position patents in the field to avoid possible intellectual property risks.

For the aforesaid IP management planning and implementations, the Company reports to the board of directors at least once a year. The latest reporting date was November 10, 2023.

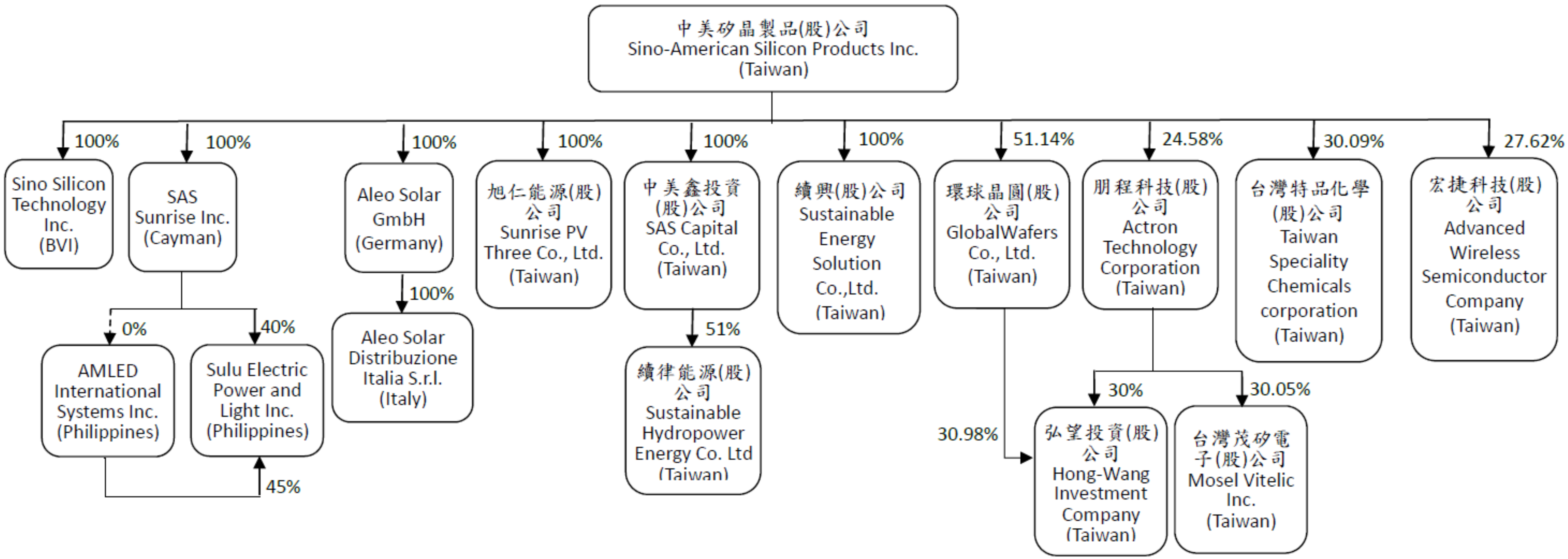
VIII. Special disclosures

I. Profiles of affiliates and subsidiaries

A. Consolidated Operation Report of Affiliates

1. Organization chart of affiliates

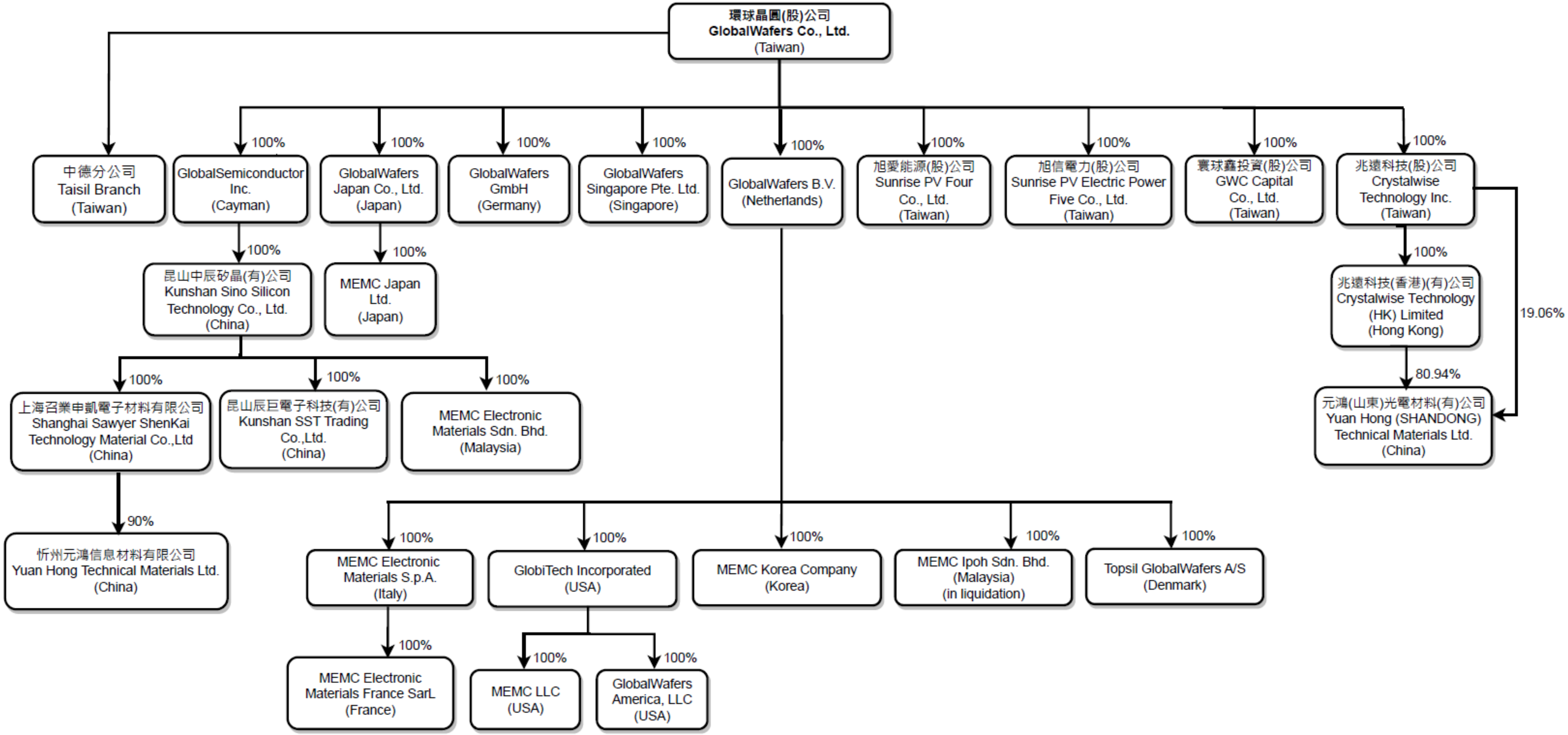
December 31, 2023



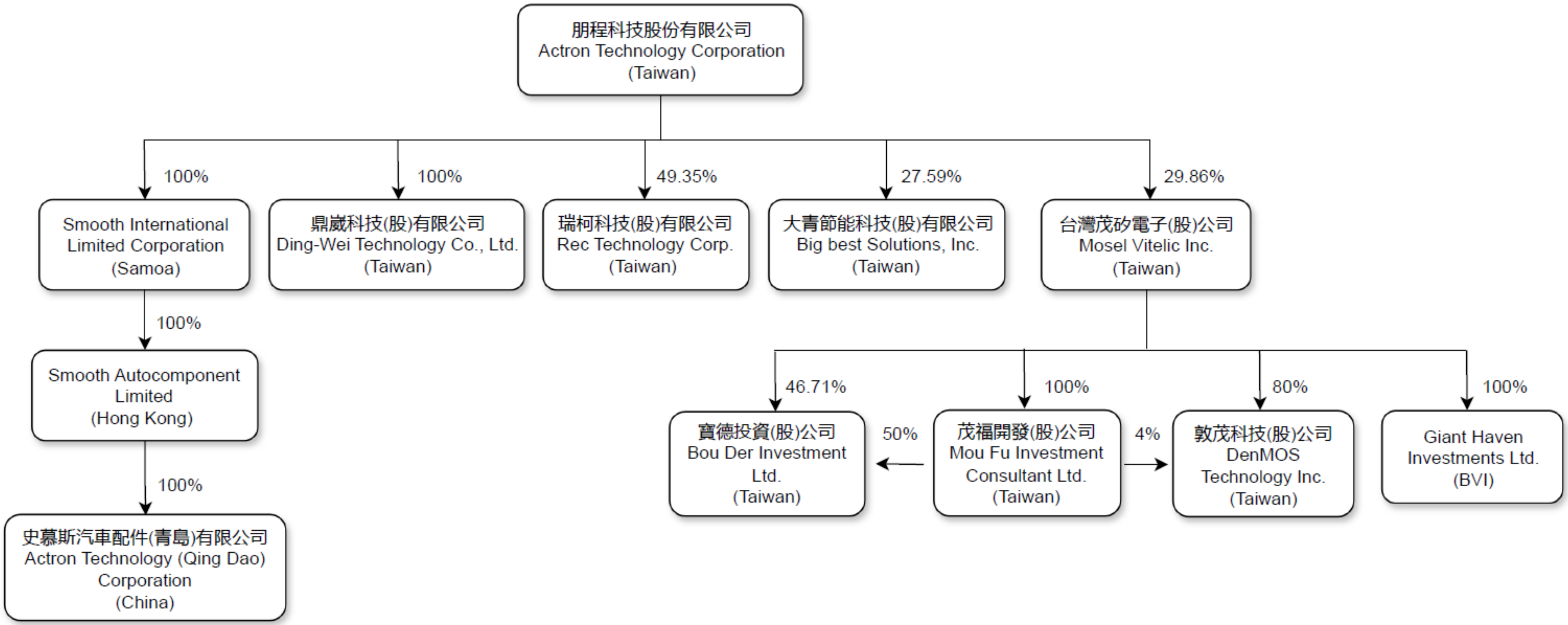
Note 1: Although the Company possesses less than 50% voting power over Sulu, through effective negotiation with Sulu and other investors, the Company can control Sulu's financial and business strategies and thus considers Sulu its subsidiary.

Note 2: Although the Company does not hold owners' equity over AMLED; however, according to the terms of agreement signed with AMLED, the consolidated company can control the financial and business strategies of AMLED and obtain all interests in its operation and net assets. Therefore, the Company considers AMLED its subsidiary.

December 31, 2023



December 31, 2023



2. Basic information of the various affiliated enterprises

December 31, 2023, Unit: NT$ thousands

Enterprise name	Date of Incorporation	Address	Paid-in capital	Main business/products
Sino Silicon Technology Inc.	1999/08/05	3rd Floor, Omar Hodge building, Wickhams Cay 1, P.O. Box 362, Road Town, Tortola British Virgin Islands	USD 48,526	Investment and triangular trade center with subsidiaries in China
GlobalWafers Co., Ltd.	2011/10/01	No. 8. Industrial East Road 2, Hsinchu Science Park, Taiwan, R.O.C.	NTD 4,361,137	Manufacturing and trading of semiconductor silicon materials and components
Aleo Solar GmbH	2014/01/23	Marius-Eriksen-Str.1,17291 Prenzlau, Germany	EUR 13,500	Sola cell manufacturing and sale and wholesale of electronic materials
Aleo Solar Distribuzione Italia S.r.l	2014/05/16	Viale Trento e Trieste 12/A 31100 Treviso, Italy	EUR 100	Solar cell manufacturing and sale and wholesale of electronic materials
SAS Sunrise Inc.	2015/06/04	Floor 4, Willow House, Cricket Square, P O Box 2804, Grand Cayman KY1-1112, Cayman Island	USD 24,500	Investment activities
Sulu Electric Power and Lights Inc.	2014/01/17	Eastwood, New National Highway, Barangay Salvacion, Municipality of Palo, Leyte, Philippines	USD 22,500	Electricity activities
AMLED International Systems Inc.	2016/01/09	3B Bakawan Bldg., Westmont Village, 8227 Dr. Santos Ave., Paranaque city, Philippines	PHP 187,500	Investment activities
Sunrise PV Three Co., Ltd.	2017/04/14	2F., No. 1, Sec. 2, Ligong 1st Rd., Wujie Township, Yilan County, Taiwan, R.O.C.	NTD 15,000	Electricity activities
SAS Capital Co., Ltd.	2020/09/18	2F., No. 1, Sec. 2, Ligong 1st Rd., Wujie Township, Yilan County, Taiwan, R.O.C.	NTD 650,000	Investment activities
Sustainable Energy Solution Co., Ltd.	2021/04/19	2F., No. 1, Sec. 2, Ligong 1st Rd., Wujie Township, Yilan County, Taiwan, R.O.C.	NTD 20,000	Energy technology service business
Taiwan Speciality Chemicals Co., Ltd.	2013/03/27	No.1, Zhangbin W. 3rd Rd., Xianxi Township,Changhua County, Taiwan, R.O.C	NTD 1,382,366	Semiconductor special gas and chemical materials

Actron Technology Corporation	1998/11/17	1F, No 22 ,Sec 2, Nan-Kan Rd.,Luchu Hsiang, Taoyuan, Taiwan, R.O.C.	NTD 1,014,475	Electronic component manufacturing
Advanced Wireless Semiconductor Company	1998/12/30	No. 6 Da-Li 1st Rd. Tainan Science-Based Industrial Park, Hsin-Shi Dist, Tainan City, Taiwan, R.O.C	NTD 1,965,161	Manufacturing and trading of GaAs Wafers
Sustainable Hydropower Energy Co., Ltd.	2023/07/21	2F., No. 1, Sec. 2, Ligong 1st Rd., Wujie Township, Yilan County, Taiwan, R.O.C.	NTD 7,500	Energy technology service business
Hong-Wang Investment Company	2014/10/30	7F., No. 531-1, Zhongzheng Rd., Xindian Dist., New Taipei City, Taiwan, R.O.C	NTD 1,000,000	Investment activities

December 31, 2023, Unit: NT$ thousands

Enterprise name	Date of Incorporation	Address	Paid-in capital	Main business/products
GlobalSemiconductor Inc.	2011/05/03	2nd Floor, The Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 10338, Grand Cayman KY1-1003, Cayman Islands	USD 24,555	Investment activities
GlobalWafers Japan Co.,Ltd.	1991/06/18	6-861-5 Seiro-machi Higashiko, Kitakanbara-gun, Niigata 957-0197 Japan	JPY 6,967,000	Manufacturing and trading of silicon wafers
GlobalWafers GmbH	2020/01/17	Theresienhöhe 30, c/o Youco24 Corporate Services GmbH, 80339 Munich	EUR 48,025	Investment activities
GlobalWafers Singapore Pte. Ltd. (Former GWafers Singapore Pte. Ltd.) (Note)	2016/02/02	9 Straits View #06-07, Marina One West Tower, Singapore 018937	USD 41,674	Investment activities
GlobalWafers B.V.	2013/11/26	Evert van de Beekstraat 1-104, 1118 CL Schiphol, The Netherlands	USD 1,049,503	Investment activities
Sunrise PV Four Co., Ltd.	2017/04/14	2F., No. 1, Sec. 2, Ligong 1st Rd., Wujie Township, Yilan County, Taiwan, R.O.C.	NTD 1,045,000	Electricity activities
Sunrise PV Electric Power Five Co., Ltd.	2019/11/21	2F., No. 1, Sec. 2, Ligong 1st Rd., Wujie Township, Yilan County, Taiwan, R.O.C.	NTD 278,000	Electricity activities
GWC Capital Co., Ltd.	2020/09/21	2F., No. 1, Sec. 2, Ligong 1st Rd., Wujie Township, Yilan County, Taiwan, R.O.C.	NTD 250,000	Investment activities
Crystalwise Technology Inc.	2000/11/02	No. 8, Kebei 5th Rd., Zhunan Township, Miaoli County, Taiwan, R.O.C.	NTD 438,363	Manufacturing and trading of optoelectronic wafers and substrate material
Crystalwise Technology (HK) Limited	2009/09/17	Room 2702-3, CC Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong	USD 48,100	Investment activities
Yuan Hong (SHANDONG) Technical Materials Ltd.	2009/10/22	Room 2601, Building 3, Creative SOHO, High-tech Zone, Jining City, Shandong Province	USD 59,300	Manufacturing and sales of lithium tantalate and lithium niobate wafers
Kunshan Sino Silicon Technology Co. Ltd.	1999/08/17	No. 303, Hanpu Road, Chengbei High Tech Industrial Park, Kunshan, Jiangsu, China	RMB 348,488	Processing and trading of ingots and wafers

Enterprise name	Date of Incorporation	Address	Paid-in capital	Main business/products
Kunshan SST Trading Co. Ltd.	2022/05/27	Room 3, No.303, Chengbei Hanpu Road, Yushan Town, Kunshan City, Jiangsu Province, China	RMB 6,000	Sales, marketing, and trading activities
Shanghai Sawyer Shenkai Technology Material Co., Ltd. (SSKT)	2000/08/31	Block B, Building 2, No. 33, Jucheng Road, Juyuan New District, Jiading District, Shanghai	RMB 23,184	Manufacturing and sales of lithium tantalate and lithium niobate wafers
Yuan Hong Technical Materials Ltd.	2019/10/25	Semiconductor Industrial Park, South of Zhengfeng Street, Xinzhou Development Zone, Shanxi Province	RMB 36,000	Manufacturing and sales of lithium tantalate and lithium niobate wafers
MEMC Electronic Materials Sdn. Bhd.	1972/06/15	Sungai Way Free Industrial Zone, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia	MYR 1,036	Manufacturing and trading of silicon wafers
MEMC Japan Ltd.	1979/12/11	11-2 Kiyohara Industrial Park, Utsunomiya City, Tochigi 3213296 Japan	JPY 100,000	Manufacturing and trading of silicon wafers
MEMC Electronic Materials S.p.A.	1960/01/29	Viale Gherzi, 31 28100 Novara, Italy	EUR 31,200	Manufacturing and trading of silicon wafers
MEMC Electronic Materials France SarL	1998/07/27	5-7 BLD EDGAR QUINET 92700 COLOMBES, France	EUR 16	Trading
GlobiTech Incorporated	1998/12/15	200 FM 1417 West/Sherman, TX 75092, USA	USD 0.001	Manufacturing and trading of epitaxial wafers and silicon wafers
MEMC LLC	2013/08/28	501 Pearl Drive St. Peters, MO 63376, USA	USD 0.01	Research and development, manufacturing, and trading of silicon wafers
GlobalWafers America, LLC	2022/08/04	200 W FM 1417. Sherman, Texas 750692, USA	USD 1	Research and development, manufacturing, and trading of silicon wafers
MEMC Korea Company	1990/12/18	854, Manghyang-ro, Sunggeo-eup, Cheonan-si, Chungchongnam-do, Korea	KRW 126,000,000	Manufacturing and trading of silicon wafers
MEMC Ipoh Sdn. Bhd.	2007/10/10	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No 8, Jalan Kerinchi, Kuala Lumpur	MYR 612,300	Manufacturing and trading of silicon wafers
Topsil GlobalWafers A/S	2016/07/01	Siliciumvej 1, 3600 Frederikssund, Copenhagen, Denmark	DKK 1,000	Manufacturing and trading of silicon wafers

Enterprise name	Date of Incorporation	Address	Paid-in capital	Main business/products
Mosel Vitelic Inc.	1987/01/08	No. 1, Yanxin 1st Rd., East Dist., Hsinchu City, Taiwan, R.O.C.	NTD 1,571,567	Semiconductors
Ding-Wei Technology Co., Ltd.	2012/10/01	No. 9, Lane 56, Section 1, Nanshan Road, Luzhu District, Taoyuan City	NTD 150,000	Manufacturing and sale of auto components and parts
Smooth International Limited Corporation	2010/01/13	Datec House, Ground Flood, Thonas Trood Street, Fugalei, Apia, Samoa	NTD 363,260	Investment
Smooth Autocomponent Limited	2010/01/22	Flat B,Teda Building,87 Wing Lok Steet, Sheung Wan, Hong Kong	NTD 363,260	Investment
Actron Technology (Qing Dao) Corporation	2010/04/21	No.917 Weihe Road, Economic and Technological Development Zone, Qingdao, China	NTD 363,260	Manufacturing and sale of auto components and parts
Rec Technology Corp.	1999/04/28	4th Floor, No. 28, Section 2, Nankan Road, Luzhu District, Taoyuan City	NTD 172,000	Manufacturing and sale of auto components and parts
Big best Solutions, Inc.	2010/10/04	3F, No.27, Likeya Road, Xiushan, Daya District, Taichung City, Central Science Park	NTD 700,000	Manufacture of motors
Giant Haven Investments Limited	2000/11/29	Virgin Islands	NTD 664,061	Investment
DenMOS Technology Inc.	2001/03/06	3F, No. 1, Yanxin 1st Rd., East Dist., Hsinchu City, Taiwan, R.O.C.	NTD 113,584	R&D, design, manufacturing, and sale of LCD driving ICs and other application-specific ICs
Mou Fu Investment Consultant Ltd.	1996/04/20	5F., No. 23, Ln. 554, Guangming Rd., Zhudong Township, Hsinchu County, Taiwan, R.O.C.	NTD 120,120	Leasing, manpower dispatch and various services
Bou Der Investment Ltd.	1997/10/01	5F., No. 23, Ln. 554, Guangming Rd., Zhudong Township, Hsinchu County, Taiwan, R.O.C.	NTD 137,000	Professional investment

Note: Our Singapore subsidiaries, GWafers Singapore Pte. Ltd. and GlobalWafers Singapore Pte. Ltd., merged on January 1, 2023. The surviving entity, GWafers Singapore Pte. Ltd., was subsequently renamed GlobalWafers Singapore Pte. Ltd.

3. Information of common shareholders who are presumed to have a relationship of control and subordination: None.
4. Businesses covered by the affiliated enterprises' overall operations: as stated in the profiles of the affiliates.

5. Information on directors, supervisors and managers of affiliates

December 31, 2023

<table>
<tr><th rowspan="2">Enterprise name</th><th rowspan="2">Title</th><th rowspan="2">Name or Representative</th><th colspan="2">Shareholding</th></tr>
<tr><th>Number of Shares (thousands)</th><th>Proportion</th></tr>
<tr><td>Sino Silicon Technology Inc.</td><td>Director</td><td>Sino-American Silicon Products Corporation
Representative: Hsiu-Ling Hsu</td><td>48,526</td><td>100%</td></tr>
<tr><td>GlobalWafers Co., Ltd.</td><td>Chairperson & CEO
Director
Director
Director
Independent Director
Independent Director
Independent Director
Independent Director</td><td>Hsiu-Lan Hsu
Sino-American Silicon Products Corporation
Representative: Ming-Kuang Lu
Sino-American Silicon Products Corporation
Representative: Tang-Liang Yao
Kuo-Chow Chen
Jeng-Ywan Jeng
Chung-Yu Wang
Ming-Ren Yu
Ta-Hsien Lo</td><td>222,727</td><td>51.14%</td></tr>
<tr><td>Aleo Solar GmbH</td><td colspan="2">No Board of Directors</td><td>—</td><td>100%</td></tr>
<tr><td>Aleo Solar Distribuzione Italia S.r.l</td><td colspan="2">No Board of Directors</td><td>—</td><td>100%</td></tr>
<tr><td>SAS Sunrise Inc.</td><td>Director</td><td>Sino-American Silicon Products Corporation
Representative: Hsiu-Lan Hsu</td><td>24,500</td><td>100%</td></tr>
<tr><td>Sulu Electric Power and Lights Inc.</td><td>Chairperson
Director and President
Director
Director
Director</td><td>Sino-American Silicon Products Corporation
Representative: Cheng-Hung Huang
Sino-American Silicon Products Corporation
Representative: Michael Da Silva
Sino-American Silicon Products Corporation
Representative: Gilbert S. Castro
Sino-American Silicon Products Corporation
Representative: MaritessQuicho
Sino-American Silicon Products Corporation
Representative: Magdalena Dela Cruz</td><td>892,500</td><td>85%</td></tr>
<tr><td>AMLED international System</td><td>Director and President
Director
Director
Director
Director</td><td>Mike Da Silva
Gilberto S. Castro
Magdalena Dela Cruz
Alfonso De la Cruz
ThessQuicho</td><td>—</td><td>0%</td></tr>
<tr><td>Sunrise PV Three Co., Ltd.</td><td>Chairperson
Director
Director
Supervisor</td><td>Sino-American Silicon Products Corporation
Representative: Hsiu-Lan Hsu
Sino-American Silicon Products Corporation
Representative: Tang-Liang Yao
Sino-American Silicon Products Corporation
Representative: Chen-Chien Chen
Sino-American Silicon Products Corporation
Representative: Ming-Huei Chien</td><td>1,500</td><td>100%</td></tr>
<tr><td>SAS Capital Co., Ltd.</td><td>Chairperson
Director
Director</td><td>Sino-American Silicon Products Corporation
Representative: Hsiu-Lan Hsu
Sino-American Silicon Products Corporation
Representative: Tang-Liang Yao
Sino-American Silicon Products Corporation
Representative: Ming-Kuang Lu</td><td>65,000</td><td>100%</td></tr>
<tr><td>Sustainable Energy Solution Co., Ltd.</td><td>Chairperson
Director
Director</td><td>Sino-American Silicon Products Corporation
Representative: Hsiu-Lan Hsu
Sino-American Silicon Products Corporation
Representative: Chen-Chien Chen</td><td>2,000</td><td>100%</td></tr>
</table>

Enterprise name	Title	Name or Representative	Shareholding	
			Number of Shares (thousands)	Proportion
		Sino-American Silicon Products Corporation Representative: Ming-Huei Chien		
Taiwan Speciality Chemicals Co., Ltd.	Chairperson Director Director Director Independent Director Independent Director Independent Director	Sino-American Silicon Products Corporation Representative: Hsiu-Lan Hsu Sino-American Silicon Products Corporation Representative: Tang-Liang Yao Sino-American Silicon Products Corporation Representative: Chun-Cheng Yang Representative of Wintec Innovation Co., Ltd.; Ri-Jun Li Chung-Hsien Liu Ru-Sheng Hung Ting-Kuo Chen	41,590	30.09%
Advanced Wireless Semiconductor Company	Chairperson Director Director Director Director Director Independent Director Independent Director Independent Director Independent Director	You-Ming Chi Kuo-Chun Huang Sino-American Silicon Products Corporation Representative: Hsiu-Lan Hsu Sino-American Silicon Products Corporation Representative: Tang-Liang Yao Sino-American Silicon Products Corporation Representative: Chen-Chien Chen Wen-Huei Tsai Chung-Hsien Liu Kun-Mu Tsai Chi-Hsiung Cheng Chien-Yong Ma	54,287	27.62%
Sustainable Hydropower Energy Co., Ltd.	Chairperson Director Director Director Director Supervisor Supervisor	SAS Capital Co., Ltd. Representative: Chen-Chien Chen SAS Capital Co., Ltd. Representative: Ming-Huei Chien SAS Capital Co., Ltd. Representative: Bei-Yi Chen (PHD)Principles of hydropower development Co., Ltd. Representative: Gu-Fan Chen Bono Investments Ltd. Representative: Guan-Wen Huang Hsiu-Ling Hsu Lin You-Ren	383	51%
Actron Technology Corporation	Chairperson Director Director Director Director Director Independent Director Independent Director Independent Director Independent Director	Tang-Liang Yao Ming-Kuang Lu Wu Xian Chung XuXin Investment Co., Ltd. Representative: Yang Su-Mei Sino-American Silicon Products Corporation Representative: Hsiu-Lan Hsu Sino-American Silicon Products Corporation Representative: Hao Fang Chung-Hsien Liu Jeng-Ywan Jeng Shu-Mei Chang Chun-Chun Chang	24,935	24.58%

Enterprise name	Title	Name or Representative	Shareholding	
			Number of shares (thousands)	Proportion
Global Semiconductor Inc.	Director	Hsiu-Lan Hsu	23,000	100%
GlobalWafers Japan Co., Ltd.	Chairperson Director and President Director Director Director Supervisor	Hsiu-Lan Hsu KatsuakiKoutari Mark Lynn England Tang-Liang Yao Ming-Huei Chien Wei-Wen Chen	128	100%
GlobalWafers GmbH	Director	Ming-Huei Chien	48,025	100%
GlobalWafers Singapore Pte. Ltd. (Former GWafers Singapore Pte. Ltd.)(Note)	Chairperson Director Director Director	Hsiu-Lan Hsu Mark Lynn England Tang-Liang Yao Chen Ye Huang	41,674	100%
GlobalWafers B.V.	Director Director	Hsiu-Lan Hsu Liang Shi	0.1	100%
Sunrise PV Four Co., Ltd.	Chairperson Director Director Supervisor	Hsiu-Lan Hsu Ming-Huei Chien Hsiu-Ling Hsu Chih-Hsing Lu	104,500	100%
Sunrise PV Electric Power Five Co., Ltd.	Chairperson	Ming-Huei Chien	27,800	100%
GWC Capital Co., Ltd.	Chairperson Director Director	Hsiu-Lan Hsu Tang-Liang Yao Ming-Kuang Lu	25,000	100%
Crystalwise Technology Inc.	Chairperson Director Director Supervisor	Hsiu-Lan Hsu Ming-Huei Chien Hsiu-Ling Hsu Su-Yuan Cheng	43,836	100%
Crystalwise Technology (HK) Limited	Director	Hsiu-Lan Hsu	48,100	100%
Yuan Hong Technical Materials Ltd.(YHTM)	Chairperson Director Director and President Supervisor	Ching-Chang Chin Tang-Liang Yao Wen-Rui Peng Hsiu-Ling Hsu	—	100%
Kunshan Sino Silicon Technology Co. Ltd.	Chairperson Vice Chairperson Director and President Director Director Supervisor	Tang-Liang Yao Hsiu-Lan Hsu Ching-Chang Chin Sheng-Hsiung Hung Ming-Huei Chien Wei-Wen Chen	—	100%
Kunshan SST Trading Co. Ltd.	Chairperson and President Director Director	Ching-Chang Chin Sheng-Hsiung Hung Tien-Wen Yu	—	100%
Shanghai Sawyer Shenkai Technology Material Co., Ltd. (SSKT)	Chairperson Director Director Supervisor	Ching-Chang Chin Ming-Huei Chien Zhigang Yu Hsiu-Ling Hsu	—	100%
Yuan Hong Technical Materials Ltd. (MHTM)	Director Supervisor	Ching-Chang Chin Hsiu-Ling Hsu	—	90%
MEMC Electronic Materials Sdn. Bhd.	Director Director	Ching-Chang Chin Tony Wang	1,036	100%

Enterprise name	Title	Name or Representative	Shareholding	
			Number of shares (thousands)	Proportion
	Director Director	Joanne Leung Ming-Huei Chien		
MEMC Japan Ltd.	Chairperson Director and President Director Director Director Supervisor	Hsiu-Lan Hsu KatsuakiKoutari Toru Kobayashi Hironobu Nakazawa Toshiharu Kondo Wei-Wen Chen	750	100%
MEMC Electronic Materials S.p.A.	Chairperson & CEO Director Director Director Supervisor Supervisor Supervisor	Marco Sciamanna Andrea Nervi Ming-Huei Chien Chen-Chien Chen Richard Murphy PierMario Barzaghi Eleonora Guerriero	65,000	100%
MEMC Electronic Materials France SarL	Director	Marco Maffè	0.5	100%
GlobiTech Incorporated	Chairperson & CEO Director Director and President Director Director	Hsiu-Lan Hsu Tang-Liang Yao Mark Lynn England Ming-Huei Chien Curtis Hall	1	100%
MEMC LLC	President Vice President	Mark England Rick Boston	—	100%
GlobalWafers America, LLC	Chairperson Director Director Director Director	Hsiu-Lan Hsu Tang-Liang Yao Chih-Hsing Lu Mark Lynn England Wyatt Watson	1	100%
MEMC Korea Company	Chairperson Director Director Supervisor	Charlie Cho Hsiu-Lan Hsu Mark England Chih-Hsing Lu	25,200	100%
MEMC Ipoh Sdn. Bhd.	Director Director Director	Ching-Chang Chin Tony Wang Joanne Leung	612,300	100%
TopsilGlobalWafers A/S	Chairperson Director Director and President Director Director	Hsiu-Lan Hsu Wei-Wen Chen Hans Peder Mikkelsen Mauro Pedrotti Liang Shi	1,000	100%

Note: Our Singapore subsidiaries, GWafers Singapore Pte. Ltd. and GlobalWafers Singapore Pte. Ltd., merged on January 1, 2023. The surviving entity, GWafers Singapore Pte. Ltd., was subsequently renamed GlobalWafers Singapore Pte. Ltd.

Enterprise name	Title	Name or Representative	Shareholding	
			Number of shares (thousands)	Proportion
Ding-Wei Technology Co., Ltd.	Chairperson Director Director Supervisor	Actron Technology Corporation Representative: Xian-Chung Wu Actron Technology Corporation Representative: Tang-Liang Yao Actron Technology Corporation Representative: San-Min Lu Mei-Ying Chiu	15,000	100%
Smooth International Limited Corporation	Director	Ming-Kuang Lu	363,260	100%
Smooth Autocomponent Limited	Director	Ming-Kuang Lu	363,260	100%
Actron Technology (Qing Dao) Corporation	Chairperson Director Director and President Supervisor	Wu Xian Chung Ming-Kuang Lu Chang Hui Chung Mei-Ying Chiu	363,260	100%
Rec Technology Corp.	Chairperson Director Director Director Director Supervisor Supervisor	Actron Technology Corporation Representative: Ming-Kuang Lu Actron Technology Corporation Representative: Tai-Ning Hsieh Actron Technology Corporation Representative: Tang-Liang Yao YAN,XIN Investment Co., Ltd. CAI,YAO-YU LI,HENG Investment Ltd. Wu,Yu-Xuan	8,488	49.35%
Big best Solutions, Inc.	Chairperson Director Director Director Director Director Director Supervisor Supervisor	Actron Technology Corporation Representative: Ming-Kuang Lu Actron Technology Corporation Representative: Xian-Chung Wu An Ching New Energy Machinery & Equipment Co., Ltd. Representative: Shou-Bai Yan How Wang Investment Co., Ltd. Representative: Yu-Ting Lin Xu Cai Management Consulting Co., Ltd. TA YA INNOVATION INVESTMENT CO., LTD. Representative: Shang-Hung Shen Fubon Financial Holding Venture Capital Co., Ltd. Representative: Shu-Chen Lin CSC Venture Capital Corporation Mei-Lan Chen	19,314	27.59%
Mosel Vitelic Inc.	Chairperson Director Director Director Director Independent Director Independent Director Independent Director Independent Director	I-Hsien Tang Actron Technology Corporation Representative: Tang-Liang Yao Actron Technology Corporation Representative: Xian-Chung Wu Actron Technology Corporation Representative: Chien-Chih Lu Liang-Kai Wang Shao-Wen Hsieh Ching-Hsiang Lin Chen-Tu Liu Chung-Wen Lan	4,692	29.86%
DenMOS Technology Inc.	Chairperson Director	Mosel Vitelic Inc. Representative: I-Hsien Tang Mosel Vitelic Inc. Representative: Chien-Chih Lu	9,114	80%

Enterprise name	Title	Name or Representative	Shareholding	
			Number of shares (thousands)	Proportion
	Director Director Director Director Director Supervisor Supervisor	Mosel Vitelic Inc. Representative: Jyun-Sheng Chen Mosel Vitelic Inc. Representative: Jhih-Da Teng Mosel Vitelic Inc. Representative: Tian-Min Yuan Mosel Vitelic Inc. Representative: Ming Yang Mosel Vitelic Inc. Representative: Shih-Ci Lai Mou Fu Investment Consultant Ltd. Representative: Fu-Cheng Chen Mou Fu Investment Consultant Ltd. Representative: Ya-Fei Yang		
Mou Fu Investment Consultant Ltd.	Chairperson Director Director Supervisor	Mosel Vitelic Inc. Representative: I-Hsien Tang Mosel Vitelic Inc. Representative: Jhih-Da Teng Mosel Vitelic Inc. Representative: Tian-Min Yuan Ya-Fei Yang	12,012	100%
Bou-Der Investment, Ltd.	Supervisor	Mei-Ying Chiu	6,400	46.71%
Giant Haven Investments Limited	Director Director Director	Mosel Vitelic Inc. Representative: I-Hsien Tang Mosel Vitelic Inc. Representative: Jhih-Da Teng Mosel Vitelic Inc. Representative: Ya-Fei Yang	644	100%
Hong-Wang Investment Company	Chairperson Director Director Director Director Supervisor	CW & ET Link Inc. Representative: Su-Lan Jiang CW & ET Link Inc. Representative: Yu-Da Chang Actron Technology Corporation Representative: Xian-Chung Wu Actron Technology Corporation Representative: Mei-Ying Chiu GlobalWafers Co., Ltd. Representative: Ming-Huei Chien Bao-Yun Lin	60,976	60.98%

6. Business Overview of Affiliates

Financial condition and operational results of each affiliate

December 31, 2023, Unit: NT$ thousands

Enterprise name	Capital	Total Assets	Total Liabilities	Net Value	Operating Revenues	Operating Profit	After-tax Profit and Loss in the Current Period	After-tax Earnings per share (NTD)
Sino Silicon Technology Inc.	1,489,998	1,171,176	11,784	1,159,392	—	(154)	1,634	—
GlobalWafers Co., Ltd.	4,361,137	128,538,796	62,089,231	66,449,565	30,931,369	11,967,049	19,772,048	45.41
Aleo Solar GmbH	458,730	748,208	373,314	374,894	1,641,376	(49,741)	(20,745)	—
Aleo Solar Distribuzione Italia S.r.l	3,398	59,153	22,319	36,834	311,054	5,974	4,073	—
SAS Sunrise Inc.	752,273	355,616	231,445	124,171	—	(301)	21,282	—
Sulu Electric Power and Light Inc.	690,863	1,782,796	1,598,806	183,990	248,647	82,805	24,942	—
Sunrise PV Three Co., Ltd.	15,000	59,004	42,569	16,435	8,036	1,872	884	—
SAS Capital Co., Ltd.	650,000	893,330	572,364	320,966	—	(490)	(12,415)	—
Sustainable Energy Solution Co., Ltd.	20,000	191,272	172,867	18,405	34,781	(3,431)	(1,455)	—
Taiwan Specialty Chemicals Co., Ltd.	1,382,366	1,840,345	83,763	1,756,582	553,523	137,798	155,653	1.13
Actron Technology Corporation	1,014,475	12,618,894	4,515,119	8,103,775	1,418,964	156,015	67,880	0.55
Advanced Wireless Semiconductor Company	1,965,161	8,801,051	1,318,935	7,482,116	2,723,100	67,733	82,726	0.42
Sustainable Hydropower Energy Co., Ltd	7,500	7,567	324	7,243	—	(344)	(257)	—
Hong-Wang Investment Company	1,000,000	4,909,870	413,430	4,496,440	—	(80)	(2,218)	—

Enterprise name	Capital	Total Assets	Total Liabilities	Net Value	Operating Revenues	Operating Profit	After-tax Profit and Loss in the Current Period	After-tax Earnings per share (NTD)
Global Semiconductor Inc.	753,950	2,952,814	40	2,952,774	—	(320)	241,963	—
GlobalWafers Japan Co., Ltd.	1,513,232	26,195,372	8,226,994	17,968,378	12,250,363	1,910,658	1,524,837	—
GlobalWafers GmbH	1,631,890	9,320,495	14,057,881	(4,737,386)	—	(41,134)	1,844,958	
GlobalWafers Singapore Pte. Ltd. (Former GWafers Singapore Pte. Ltd.) (Note 3)	16,730,390	61,379,880	28,311,139	33,068,741	24,310,744	1,966,587	3,523,882	—
GlobalWafers B.V.	32,224,981	54,913,079	1,284,487	53,628,592	—	(10,686)	4,224,105	—
Sunrise PV Four Co., Ltd.	1,045,000	1,643,483	586,010	1,057,473	97,753	15,452	10,946	—
Sunrise PV Electric Power Five Co., Ltd.	278,000	303,668	29,650	274,018	10,609	(2,665)	(835)	—
GWC Capital Co., Ltd.	250,000	265,261	4,444	260,817	—	(6,532)	13,589	—
Crystalwise Technology Inc.	438,363	299,565	279,256	20,309	14,808	(17,708)	(18,679)	—
Crystalwise Technology (HK) Ltd.	1,476,911	80,039	43	79,996	—	(175)	(112)	—
Yuan Hong Technical Materials Ltd.(YHTM)	1,820,807	106,275	7,620	98,655	—	(98)	94	—
Kunshan Sino Silicon Technology Co. Ltd.	1,465,442	3,281,527	335,328	2,946,199	1,953,591	150,231	241,943	—
MEMC Electronic Materials Sdn. Bhd.	6,924	1,322,520	227,092	1,095,429	1,617,103	63,764	62,322	—
Kunshan SST Trading Co. Ltd.	25,962	2,010,837	1,928,757	82,079	1,821,559	26,503	46,598	—
Shanghai Sawyer Shenkai Technology Material Co., Ltd. (SSKT)	100,318	478,024	97,849	380,175	91,346	(29,243)	(53,330)	
Yuan Hong Technical Materials Ltd. (MHTM)	155,772	116,942	76,346	40,596	80,130	(23,042)	(21,665)	
MEMC Japan Ltd.	21,720	14,055,730	12,817,124	1,238,606	4,332,439	257,577	1,331,801	—
MEMC Electronic Materials S.p.A.	1,060,176	18,780,165	7,416,968	11,363,198	15,760,288	484,447	133,801	—

Enterprise name	Capital	Total Assets	Total Liabilities	Net Value	Operating Revenues	Operating Profit	After-tax Profit and Loss in the Current Period	After-tax Earnings per share (NTD)
MEMC Electronic Materials France SarL	544	9,914	6,382	3,532	—	1,327	707	—
GlobiTech Incorporated	—	14,644,568	1,291,135	13,353,433	6,020,534	462,951	896,027	—
MEMC LLC	—	12,332,598	6,438,276	5,894,322	3,788,979	(204,371)	427,203	—
GlobalWafers America, LLC	31	15,672,815	12,533,577	3,139,238	—	(127,612)	(118,571)	—
MEMC Korea Company	3,011,400	25,941,705	2,543,221	23,398,484	12,885,549	2,386,335	2,363,342	—
MEMC Ipoh Sdn. Bhd.	4,091,550	4,629	34	4,596	—	(47)	826	—
Topsil GlobalWafers A/S	4,553	3,315,265	908,140	2,407,125	2,849,650	196,847	165,231	—
Mosel Vitelic Inc.	1,571,567	3,390,836	1,050,096	2,340,740	312,632	(109,289)	(124,969)	(0.80)
Ding-Wei Technology Co., Ltd.	150,000	345,499	71,934	273,565	188,676	21,612	21,468	—
Smooth International Limited Corporation	363,260	—	—	—	—	—	1,352	—
Smooth Autocomponent Limited	363,260	—	—	—	—	—	1,352	—
Actron Technology (Qing Dao) Corporation	363,260	462,901	36,268	426,633	44,550	(92)	1,352	—
Rec Technology Corp.	172,000	214,140	31,839	182,301	54,888	3,676	4,045	—
Big best Solutions, Inc.	700,000	283,063	21,402	261,661	8,393	(10,198)	(10,836)	—
Giant Haven Investments Ltd.	664,061	71,436	30	71,406	—	(8)	(2,694)	—
Mou Fu Investment Consultant Ltd.	120,120	111,855	908	110,947	—	(55)	(46)	—
Bou Der Investment Ltd. (Note 4)	137,000	76,588	283	76,305	—	(232)	1	—
DenMOS Technology Inc.	113,584	139,836	7,857	131,979	6,992	(4,310)	(5,025)	—

The exchange rates on December 31, 2023: USD: NTD= 30.705:1 JPY: NTD= 0.2172:1 EURO: NTD= 33.98:1 1

Average exchange rate for 2023: USD: NTD= 31.1773:1 JPY: NTD= 0.2219:1 EURO: NTD= 33.7221:1 1

Note 1: Information of all affiliated enterprises shall be disclosed irrespective of their scale of operation.

Note 2: For foreign affiliates, number figures shall be converted into NTD using the exchange rate on the date of report.

Note 3: Our Singapore subsidiaries, GWafers Singapore Pte. Ltd. and GlobalWafers Singapore Pte. Ltd., merged on January 1, 2023. The surviving entity, GWafers Singapore Pte. Ltd., was subsequently renamed GlobalWafers Singapore Pte. Ltd.

Note 4: Bou-Der Investment, Ltd. has been approved for dissolution. On November 23, 2023, the dissolution registration was approved by the competent authority. Currently, the Company is still in the process of liquidation.

B. Consolidated financial statement of affiliates: See Annex 1 of the annual report (CPA-audited Consolidated Financial Statements for 2023)

C. Reports of affiliates: Not applicable

II. Private placement of securities in the last year up to the date of this annual report

None.

III. Holding or disposal of stocks of the Company by subsidiaries in the past year and up to the date of this annual report

None.

IV. Other supplemental information

None.

V. Corporate events with material impact on shareholders’ equity or stock prices set forth in Subparagraph 2, Paragraph 3, Article 36 of Securities and Exchange Act in the past year and up to the date of report

None.

Stock Code:5483

Sino-American Silicon Products Inc. and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address: No.8, Industrial East Road 2, Science-Based Industrial Park, Hsinchu, Taiwan, R.O.C.
Telephone: (03)577-2233

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.

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Representation Letter

The entities that are required to be included in the combined financial statements of Sino-American Silicon Products Inc. as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements", as endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements are included in the consolidated financial statements. Consequently, Sino-American Silicon Products Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Sino-American Silicon Products Inc.
Chairman: Doris Hsu
Date: February 29, 2024

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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)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (notes 6(1) and 9)	$ 30,827,503	14	86,215,158	44
1110	Financial assets at fair value through profit or loss－current (note 6(2))	9,995	-	32,415	-
1136	Financial assets measured at amortized cost－current (notes 6(4) and 7)	-	-	331,609	-
1170	Notes and accounts receivable, net (notes 6(5) and (23))	12,228,049	5	11,255,045	6
1180	Accounts receivable due from related parties, net (notes 6(23) and 7)	-	-	83,043	-
130X	Inventories (note 6(6))	12,556,397	6	10,789,580	5
1476	Other financial assets－current (notes 6(1) and 8)	43,551,516	19	5,522,717	3
1479	Other current assets (note 6(13))	2,204,462	1	1,822,111	1
		101,377,922	45	116,051,678	59
	Non-current assets:				
1513	Financial assets at fair value through profit or loss－non-current (note 6(2))	12,567,498	6	9,331,720	5
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(3))	3,464,865	1	1,444,845	1
1550	Investments accounted for using equity method (note 6(7))	1,494,831	1	2,507,749	1
1600	Property, plant and equipment (notes 6(10), 7 and 8)	89,667,689	40	51,865,962	27
1755	Right-of-use assets (note 6(11))	1,459,674	1	815,962	-
1780	Intangible assets (note 6(12))	5,695,213	2	7,124,580	4
1840	Deferred tax assets (note 6(20))	3,652,099	2	2,699,496	1
1980	Other financial assets－non-current (notes 8 and 9)	845,746	-	203,658	-
1990	Other non-current assets (note 6(13))	5,269,688	2	4,563,740	2
		124,117,303	55	80,557,712	41
	Total assets	$ 225,495,225	100	196,609,390	100

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2100	Short-term borrowings (notes 6(14) and 8)	$ 31,811,162	14	9,796,000	5
2120	Financial liabilities at fair value through profit or loss－current (notes 6(2) and (16))	204,322	-	1,219	-
2130	Contract liabilities－current (note 6(23))	10,493,887	5	10,514,416	5
2170	Notes and accounts payable	5,958,638	3	5,129,293	3
2180	Accounts payable to related parties (note 7)	-	-	1,195	-
2201	Payroll and bonus payable	5,310,525	2	4,392,988	2
2216	Dividends payable	3,756,469	2	3,257,330	2
2250	Provisions－current (note 6(18))	293,127	-	441,556	-
2230	Current tax liabilities	4,070,647	2	4,889,132	2
2270	Convertible bonds, current portion (note 6(16))	6,647,050	3	-	-
2321	Bonds payable, current portion (note 6(16))	7,098,400	3	-	-
2322	Long-term borrowings, current portion (note 6(15))	1,870,689	1	35,316	-
2399	Other current liabilities (notes 6(17), 7 and 9)	9,977,315	4	5,144,003	3
		87,492,231	39	43,602,448	22
	Non-Current liabilities:				
2527	Contract liabilities－non-current (notes 6(23) and 9)	24,970,383	11	29,046,638	15
2500	Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (16))	-	-	466,831	-
2530	Convertible bonds (note 6(16))	762,039	-	23,793,835	12
2531	Bonds payable (note 6(16))	11,893,051	5	18,986,110	10
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))	1,608,901	1	1,539,328	1
		56,008,819	24	84,875,398	43
	Total liabilities	143,501,050	63	128,477,846	65
	Equity (note 6(21)):				
3110	Ordinary shares	5,862,217	3	5,862,217	3
3200	Capital surplus	16,955,211	8	16,846,163	8
3300	Retained earnings	19,764,133	9	15,138,189	8
3400	Other equity interest	(6,457,122)	(3)	(5,973,997)	(3)
3500	Treasury shares	(4,382,100)	(2)	-	-
	Total equity attributable to shareholders of the Company	31,742,339	15	31,872,572	16
36XX	Non-controlling interests (note 6(9))	50,251,836	22	36,258,972	19
	Total equity	81,994,175	37	68,131,544	35
	Total liabilities and equity	$ 225,495,225	100	196,609,390	100

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	**$ 18,076,456**	**23**	**15,461,352**	**19**
	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
		$ 17,778,912	**22**	**16,160,497**	**20**
	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
		$ 18,076,456	**22**	**15,461,352**	**19**
	Earnings per share (NT dollars) (note 6(22))				
9750	Basic earnings per share	**$**	**16.99**		**14.87**
9850	Diluted earnings per share	**$**	**16.89**		**14.75**

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							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Gains (losses) on equity instrument measured at fair value through other comprehensive income	Unearned share-based employee compensation	Total other equity interest	Treasury shares	Total	Non-controlling interests	Total equity
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.

Sino-American Silicon Products Inc. and subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

1. Company history

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

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

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

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

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

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

The consolidated financial statements were authorized for issue by the Board of Directors on February 29, 2024.

3. New standards, amendments and interpretations adopted:

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

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

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

The Group has adopted Amendments to IAS 12 " International Tax Reform – Pillar Two Model Rules" on May 23, 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which applies retrospectively, and require new disclosures about the Pillar Two exposure for annual reporting periods beginning on or after January 1, 2023. However, because on December 31, 2022, no new legislation to implement the top-up tax was enacted or substantively enacted in any jurisdiction in which the Group operates and no related deferred taxes were recognized at that date, the retrospective application has no impact on the Group's consolidated financial statements. The Group is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax. Please refer to note 6(20) income tax for further description.

(2) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(3) The impact of IFRS issued by the International Accounting Standards Board (the "IASB") but not yet endorsed by the FSC

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"

- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

4. Summary of material accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”), and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to as the“ IFRSs endorsed by the FSC”).

(2) Basis of preparation

A. Basis of measurement

Expect for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

(a) Financial instruments at fair value through profit or loss are measured at fair value;

(b) Financial assets at fair value through other comprehensive income are measured at fair value;

(c) Cash-settled-shared-based payment liability is measured at fair value;

(d) The defined benefit liabilities (assets) are measured at fair value of the plan assets, less the present value of the defined benefit obligation and the asset ceiling, as explained in note 4(17).

B. Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the Company’ s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(3) Basis of consolidation

A. Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for alike transactions and other events in similar circumstances.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

B. List of subsidiaries in the consolidated financial statements

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

			Percentage of Ownership		
Name of Investor	**Name of subsidiary**	**Business**	**December 31, 2023**	**December 31, 2022**	**Note**
Sino-American Silicon Products Inc.	Sino Silicon Technology Inc. (SSTI)	Investment and triangular trade center with subsidiaries in China	100%	100%	

Name of Investor	Name of subsidiary	Business	Percentage of Ownership December 31, 2023	Percentage of Ownership December 31, 2022	Note
Sino-American Silicon Products Inc.	GlobalWafers	Manufacturing and trading of semiconductor silicon materials and components	51.14%	51.17%	
Sino-American Silicon Products Inc.	Aleo Solar GmbH (Aleo Solar)	Solar cell manufacturing and sale and wholesale of electronic materials	100%	100%	
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Investment activities	100%	100%	
Sino-American Silicon Products Inc.	Sunrise PV Three Co., Ltd. (Sunrise PV Three)	Electricity activities	100%	100%	
Sino-American Silicon Products Inc.	SAS Capital Co., Ltd. (SSH)	Investment activities	100%	100%	
Sino-American Silicon Products Inc.	Sustainable Energy Solution Co., Ltd. (SES)	Energy technology service business	100%	100%	
Sino-American Silicon Products Inc.	Taiwan Speciality Chemicals Corporation (Taiwan Speciality Chemicals)	Semiconductor special gas and chemical materials	30.09%	30.09%	
Sino-American Silicon Products Inc.	Advanced Wireless Semiconductor Company (Advanced Wireless)	Manufacturing and trading of GaAs Wafers	27.62%	27.62%	Note 4
Sino-American Silicon Products Inc.	Actron Technology Corporation (Actron)	Electronic component manufacturing	24.58%	-	Note 5
SAS Sunrise Inc.	Sulu Electric Power and Light Inc. (Sulu)	Electricity activities	40%	40%	Note 1
SAS Sunrise Inc.	AMLED International Systems Inc. (AMLED)	Investment activities	-	-	Note 2
AMLED	Sulu	Electricity activities	45%	45%	
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Solar cell manufacturing and sale and wholesale of electronic materials	100%	100%	
SAS Capital Co., Ltd. (SSH)	Sustainable Law Energy Solution Co., Ltd. (SHE)	Energy technology service business	51%	-	Note 3(6)
GlobalWafers	GlobalSemiconductor Inc. (GSI)	Investment activities	100%	100%	
GlobalWafers	GlobalWafers Japan Co., Ltd. (GWJ)	Manufacturing and trading of silicon wafers	100%	100%	
GlobalWafers	GWafers Singapore Pte. Ltd. (GWafers Singapore) (rename its GWafers Singapore to GWS on January 1, 2023)	Investment activities	100%	100%	Note 3(2)
GlobalWafers	Sunrise PV Four Co., Ltd. (Sunrise PV Four)	Electricity activities	100%	100%	
GlobalWafers	Sunrise PV Electric Power Five Co., Ltd. (Sunrise PV Five)	Electricity activities	100%	100%	

Name of Investor	Name of subsidiary	Business	Percentage of Ownership December 31, 2023	Percentage of Ownership December 31, 2022	Note
GlobalWafers	GWC Capital Co., Ltd (GWCH)	Investment activities	100%	100%	
GlobalWafers	GlobalWafers GmbH (GW GmbH)	Investment activities	100%	100%	
GlobalWafers	GlobalWafers B.V. (GWBV)	Investment activities	100%	-	
GlobalWafers	Crystalwise Technology Inc. (CWT)	Manufacturing and trading of optoelectronic wafers and substrate material	100%	-	Note 3(5)
GlobalWafers	Hongwang Investment Co., Ltd. (Hongwang)	Investment activities	30.98%	-	Note 6
GSI	Kunshan Sino Silicon Technology Co., Ltd. (SST)	Processing and trading of ingots and wafers	100%	100%	
GWJ	MEMC Japan Ltd. (MEMC Japan)	Manufacturing and trading of silicon wafers	100%	100%	
SST	MEMC Electronic Materials, Sdn Bhd (MEMC Sdn Bhd)	Research and development, manufacturing and trading of silicon wafers	100%	100%	
SST	Kunshan SST Trading Co., Ltd. (KST)	Sales, marketing and trading activities	100%	100%	
SST	Shanghai Sawyer Shenkai Technology Material Co., Ltd. (SSKT)	Manufacturing and sales of lithium tantalate and tithium niobate wafers	100%	-	Note 3(4)
GWafers Singapore	GlobalWafers Singapore Pte Ltd. (GWS)	Investment, marketing and trading activities	-	100%	Note 3(1) and (2)
CWT	Crystalwise Technology (HK) Limited (Crystalwise (HK))	Investment activities	100%	-	Note 3(5)
CWT	Yuan Hong (SHANDONG) Technical Materials Ltd. (YHTM)	Manufacturing and trading of optoelectronic wafers and substrate material	19.06%	-	Note 3(5)
GWBV	MEMC Electronic Materials, SpA (MEMC SpA)	Manufacturing and trading of silicon wafers	100%	100%	
MEMC SpA	MEMC Electronic Materials France SarL (MEMC SarL)	Trading	100%	100%	
GWBV	MEMC Korea Company (MEMC Korea)	Manufacturing and trading of silicon wafers	100%	100%	
GWBV	MEMC Ipoh Sdn Bhd (MEMC Ipoh)	Manufacturing and trading of silicon wafers	100%	100%	
GWBV	GlobiTech Incorporated (GTI)	Manufacturing and trading of epitaxial wafers and silicon wafers	100%	100%	
GWBV	Topsil GlobalWafers A/S (Topsil A/S)	Manufacturing and trading of silicon wafers	100%	100%	
Crystalwise (HK)	YHTM	Manufacturing and trading of optoelectronic wafers and substrate material	80.94%	-	Note 3(5)
GTI	MEMC LLC	Research and development, manufacturing and trading of silicon wafers	100%	100%	

Name of Investor	Name of subsidiary	Business	Percentage of Ownership December 31, 2023	Percentage of Ownership December 31, 2022	Note
GTI	GlobalWafers America, LLC (GWA)	Manufacturing and trading of silicon wafers	100%	100%	
Topsil A/S	Topsil Semiconductor sp z o o. (Topsil PL)	Manufacturing and trading of silicon wafers	-	100%	Note 3(3)
SSKT	Yuan Hong Technical Materials Ltd. (MHTM)	Manufacturing and sales of lithium tantalate and tithium niobate wafers	90%	-	Note 3(4)
Actron	DING-WEI Technology Co., Ltd. (DING-WEI Technology)	Manufacture of electronic components and motor parts	100%	-	Note 5
Actron	Smooth International Limited Corporation (SILC)	Investment activities	100%	-	Note 5
SILC	Smooth Autocomponent Limited (SAL)	Investment activities	100%	-	Note 5
SAL	Smooth Auto Parts (Qingdao) Co., Ltd. (Smooth)	Manufacture of motor parts	100%	-	Note 5
Actron	REC Technology Corporation (REC Technology)	Manufacture of motor parts	49%	-	Note 5
Actron	Bigbest Solution, Inc. (Bigbest)	Manufacture of motors	28%	-	Note 5
Actron	Mosel Vitekic Inc. (Mosel)	Semiconductor holding company	29%	-	Note 5
Actron	Hongwang	Investment activities	30%	-	Note 6
Mosel	Giant Haven Investments Ltd. (B.V.I)	Holding company	100%	-	Note 5
Mosel	Mou Fu Investment Consultant Ltd. (Mou Fu Investment)	Leasing, manpower dispatch and various services	100%	-	Note 5
Mosel	Bou-Der Investment, Ltd. (Bou-Der Investment)	Investment activities	47%	-	Note 5
Mosel	DenMOS Technology Inc.(DenMOS Technology)	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific Ics	80%	-	Note 5
Mao fu Investment	Bou-Dev Investment	Investment activities	50%	-	Note 5
Mao fu Investment	DenMOS Technology	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs	4%	-	Note 5

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

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

Note 3: The Group's organizational restructuring and changes were as follows:

(1) The original name was SunEdison.

(2) GWafers Singapore and GWS merged on January 1, 2023. GWafers Singapore is the surviving company and was renamed to GWS.

(3) The liquidation of Topsil PL has been completed in June, 2023.

(4) Based on the resolution approved at the board meeting of SST held on February 3,2023, the Group obtained entire equity interests of SSKT, and had completed the transfer of equity interests on April 23, 2023. In addition, MHTM is a subsidiary of SSKT; therefore, it is merged into the Group.

(5) On November 1, 2023, the GlobalWafers issued new shares to acquire entire equity interest in CWT and completed the registration process in order to expand its product line and increase its operational advantages. The swap ratio is each share of CWT for 0.02 newly issued shares of the GlobalWafers. On the same day, CWT and its subsidiaries were merged into the consolidated structure.

(6) SHE was established on July 21, 2023, as a tripartite joint venture between SSH, Principles of Hydropower Deployment Co., LTD. and Bono Investments Ltd..

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

Note 5: The Group holds 24.58% of the voting shares of Actron, and it's made the Group the single largest shareholder of the investee. As of October 2, 2023, the Group obtained the support from other shareholders. Considering the Company's power over the investee, exposure or rights to variable returns, and the ability to use its power over the entity to affect the amount of the investee's remuneration, the Group obtained control over Actron.

Note 6: The Group via its subsidiaries, namely Actron and GlobalWafers, holds 60.98% of Hongwang's shares. Thus, Hongwang was included in the consolidated structure.

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

(4) Foreign currencies

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an equity investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

B. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into New Taiwan Dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into New Taiwan Dollars at the average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(5) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

A. It is expected to be realized, or intends to be sold or consumed, in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is expected to be realized within twelve months after the reporting period; or

D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

A. It is expected to be settled in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is due to be settled within twelve months after the reporting period; or

D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(6) Cash and cash equivalent

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(7) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI, and FVTPL. Financial assets are not reclassified subsequently to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and.

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Fair value through other comprehensive income (FVTOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

(c) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVTOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVTOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(d) Assess whether the contractual cash flow is entirely for the payment of the principal and interest on the outstanding principal amount

For the purposes of this assessment, principal is defined as the fair value of the financial assets on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

(e) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized costs, notes and accounts receivable, guarantee deposits and other financial assets) and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured by 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12-month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls, i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. An evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower' s financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group' s procedures for recovery of amount due.

(f) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(a) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual agreements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

An equity instrument is any contract that evidences the residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued is recognized as the amount of consideration received, less the direct cost of issuing.

(c) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

(d) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

(e) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(f) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(g) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to offset the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

C. Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to the initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(8) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories, production or conversion cost, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses necessary to make the sale.

(9) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under additional paid in capital. If the additional paid in capital resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

(10) Property, plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

C. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(a) Buildings and improvements: 2~60 years

(b) Machinery and equipment: 1~30 years

(c) Other equipment and leased assets: 1~40 years

(d) Buildings constitute mainly building, mechanical and electrical power equipment, and related engineering, wastewater treatment and sewage system, etc. Each such part is depreciated based on its useful life of 2 to 56 years, 4 to 35 years, and 6 to 30 years, respectively.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(11) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A. As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group' s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(a) fixed payments, including in-substance fixed payments;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) amounts expected to be payable under a residual value guarantee; and

(d) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(a) there is a change in future lease payments arising from the change in an index or rate; or

(b) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

(c) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(d) there is a change of its assessment on whether it will exercise an extension or termination option; or

(e) there are any lease modifications

When the lease liability is remeasured, other than lease, modifications a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases with 12 months or less and leases of low-value assets, including other equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(12) Intangible assets

A. Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including customer relationship, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

C. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

(a) goodwill, expertise and trademarks: 15 years

(b) development costs: 10 years

(c) software: 1~10 years

(d) customer relationship and knowledge technology: 16.5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or a cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then, to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized for the assets in prior years.

(14) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A. Site restoration

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land and the related expense are recognized when the land is contaminated. A provision for site restoration of lease land and the related expense are recognized over the term of the lease.

B. Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

(15) Revenue recognition

A. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(a) Sale of goods

The Group engages mainly in the research, development, production, design, and sales of semiconductor ingots and wafers, varistors, optoelectronics and communication wafer materials. The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered, as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(b) Product processing services

The Group provides processing of products and recognizes the relevant revenue during the financial reporting period of the labor service.

Revenue recognition for fixed price contracts is based on the ratio of services actually provided to total services as of the reporting date, which is determined by the percentage of labor performed to the total amount of labor to be performed.

If the situation changes, the estimates of revenue, cost, and degree of completion will be revised, and the increase or decrease in the period when the management is aware of the change in the situation will be reflected in profit or loss.

Under the fixed price contract, the customer pays a fixed amount in accordance with the agreed time schedule. When the services provided exceed the payment, the contract assets are recognized; if the payment exceeds the services provided, the contract liabilities are recognized.

If the contract is valued based on the number of hours in which the service is provided, the revenue is recognized by the amount in which the Group has the right to open an invoice. The Group will ask for a monthly payment from the customer and will receive the consideration after opening the invoice.

The Group recognizes the accounts receivable when the goods are delivered, because the Group has the right to unconditionally collect the consideration at that time.

(c) Engineering contract

The Group is engaged in the contracting business of solar power plants. Since the assets are controlled by the customers at the time of construction, the revenue is gradually recognized over time based on the proportion of the engineering costs incurred to date to the estimated total contract costs. A fixed amount paid by the customer in accordance with the agreed time schedule. Certain changes in consideration are estimated using expectations from past experience; other changes are estimated at the most probable amount. The Group recognizes revenue only within the scope of the cumulative revenue level where it is highly probable that no significant reversal will occur. If the amount of revenue recognized has not been billed, it is recognized as a contract asset and the contract asset is transferred to the accounts receivable when there is an unconditional right to the consideration.

If the degree of completion of the performance obligation of the construction contract cannot be reasonably measured, the contract revenue is recognized only within the range of expected recoverable costs.

When the Group expects that the inevitable cost of performance of an engineering contract exceeds the economic benefit expected from the contract, the liability provision for the loss-making contract is recognized.

If the circumstances change, the estimates of revenue, cost and completion will be revised and the changes will be reflected in gain or loss when the management is informed of the change in circumstances and the amendment is made.

(d) Services

The Group provides services to its customers. Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

Revenue recognition for fixed price contracts is based on the ratio of services actually provided to total services as of the reporting date, which is determined by the percentage of labor performed to the total amount of labor to be performed.

If the situation changes, the estimates of revenue, cost, and degree of completion will be revised, and the increase or decrease in the period when the management is aware of the change in the situation will be reflected in profit or loss.

(e) Electric power revenue

The Group recognized its electric power revenue based on the actual electric units and electric rate.

B. Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(16) Government grants

Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(17) Employee Benefits

A. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

B. Defined benefit plans

The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. Short-term employee benefits

Short-term employee benefit are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(18) Income tax

Income taxes comprise current taxes and deferred taxes. Except for items related to business combinations, or items recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized except for:

A. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

B. temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

C. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(a) the same taxable entity; or

(b) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(19) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest' s proportionate share of the acquiree' s identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquire' s net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group' s financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

(20) Earnings per share

The Group discloses the Company' s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee remuneration that could be settled in the form of stock. The Company's potential diluted ordinary share includes non-vested shares of restricted employee right and employee remuneration that has not been resolved by the Board of Directors and has been issued in the form of shares.

(21) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated financial statements, the management has made judgments, estimations and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in the accounting estimates during the period and the impact of those changes in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

The Group holds 24.58% of the voting shares of Actron and is the single largest shareholder of the investee. As of October 2, 2023, the Group obtained the support from other shareholders. Considering the Company's power over the investee, exposure or rights to variable returns, and the ability to use its power over the entity to affect the amount of the investee's remuneration, the Group obtained control over Actron.

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

The accounting policies which involved the estimation and assumption uncertainty that may cause adjustments in the subsequent period is as below:

(1) Impairment assessment of property, plant and equipment (including right-to-use assets)

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years.

(2) Impairment assessment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amount of relevant CGUs. Refer to note 6(12) for details of the impairment of goodwill.

The Group’s finance and accounting departments conduct independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This finance and accounting departments also periodically adjust valuation models, conduct back testing, renew input data for valuation models, and make all other necessary fair value adjustments to assure the rationality of fair value.

The Group strives to use the observable market inputs when measuring assets and liabilities. The hierarchy of the fair value categorized by the valuation techniques used is as follows:

Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For any transfer within the fair value hierarchy, the Group recognizes the transfer on the reporting date. For the assumption used in fair value measurement, please refer to note 6(28) of the financial instruments.

6. Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 8,709	12,118
Demand deposits	17,341,914	48,662,978
Time deposits	12,375,339	37,447,741
Repurchase agreement	1,101,541	92,321
Cash and cash equivalents in the consolidated statement of cash flows	**$ 30,827,503**	**86,215,158**

As of December 31, 2023 and 2022, the Group considered liquidity and reclassified time deposits to other financial assets－ current, amounting to $30,483,644 thousand and $5,194,689 thousand, respectively.

On November 28, 2019 and February 21, 2020, GlobalWafers applied to the National Taxation Bureau for the application of the Overseas Fund Repatriation Management, Utilization and Taxation Regulations. After approval, the funds were repatriated. 5% of the repatriated funds can be used freely, and the remaining 95% can only be used for special investment plans approved by the Ministry of Economic Affairs. Funds are deposited in a special account and cannot be used randomly for expenditure within five years. GlobalWafers has applied to the Ministry of Economic Affairs for substantial investment, and the funds are expected to be used for capital expenditures on factory expansion and the purchase of machinery, equipment and related assets. As of December 31, 2023 and 2022, the balances of the special accounts were $2,698,377 thousand and $2,967,304 thousand recorded in cash and cash equivalents, respectively.

In accordance with the IFRSs Q&A updated by the Financial Supervisory Commission and the Securities and Futures Bureau on January 5, 2024, the repatriated offshore funds should be reclassified from other financial assets – current to cash and cash equivalents. As of December 31, 2022, $2,967,304 thousand of the funds have been reclassified to cash and cash equivalents by the Group. In addition, the "decrease in other financial assets" under consolidated statement of cash flows－investing activities in 2022 was reduced by $2,967,304 thousand.

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

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

	December 31, 2023	December 31, 2022
Financial assets measured at fair value through profit or loss－current:		
Forward exchange contracts	$ **9,995**	**32,415**
Financial assets measured at fair value through profit or loss－non-current:		
Overseas securities held	$ 12,324,634	9,145,927
Privately offered funds	242,864	185,793
	$ **12,567,498**	**9,331,720**
Financial liabilities designated as at fair value through profit or loss－current:		
Forward exchange contracts	$ 289	-
Swap exchange contract	-	1,219
Embedded derivatives of convertible bonds	204,033	-
	$ **204,322**	**1,219**
Financial liabilities designated as at fair value through profit or loss－non-current:		
Embedded derivatives of convertible bonds	$ **-**	**466,831**

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

For the years ended December 31, 2023 and 2022, the dividends of $431,786 thousand and $391,591 thousand were incurred from investments in financial assets mandatorily measured at fair value through profit or loss, respectively.

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

	December 31, 2023			
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts:				
Forward exchange contracts sold	USD	21,050	USD to EUR	January 6, 2024~ February 27, 2024

	December 31, 2022			
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts:				
Forward exchange contracts sold	USD	33,500	USD to EUR	January 27, 2022~ March 29, 2022
Swap exchange contract:				
Currency exchange	EUR	3,500	EUR to USD	January 3, 2023~ January 10, 2023

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

The financial assets mentioned above were not pledged as collateral.

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

	December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income:		
Equity investment in foreign entities	$ 1,335,211	1,115,001
Equity investment in domestic entities	2,129,654	329,844
Total	$ 3,464,865	1,444,845

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

For the years ended December 31, 2023 and 2022, the dividends of $17,318 thousand and $15,797 thousand were incurred from investments in financial assets at fair value through other comprehensive income－non current, respectively.

Due to the change in investment strategy in 2023, the Group sold domestic equity investments designated to be measured at fair value through other comprehensive gains and losses. The fair value at the time of disposal was $148,646 thousand, and the accumulated disposal gains amounted to $85,272 thousand. Therefore, the aforementioned accumulated disposal gains attributable to the parent company amounting to $62,281 thousand was reclassified from other equity to retained earrings.

No strategic investments were disposed for the year ended December 31, 2022, and there was no transfers of any cumulative gain or loss within equity relating to these investments.

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

The financial assets mentioned above were not pledged as collateral.

(4) Financial assets measured at amortized cost－current and non-current

	December 31, 2023	December 31, 2022
Current:		
Corporate bonds－Crystalwise Technology Inc.	$ -	331,609

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

In October 2021, the Group purchased the private corporate bonds of CWT for a one-year period at a principal amount of $330,000 thousand. The coupon rate and effective interest rate were both 2.00%. On September 22, 2022 and March 16, 2023 the Board of Directors resolved to extend the private issued corporate bonds for 6 months. The bond matures on May 2023, and the capital repayments will be made in full.

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

The financial assets mentioned above were not pledged as collateral.

(5) Notes and accounts receivable, net

	December 31, 2023	December 31, 2022
Notes receivable	$ 242,784	164,872
Accounts receivable	12,010,476	11,113,490
Less: Allowance for doubtful accounts	(25,211)	(23,317)
	$ 12,228,049	11,255,045

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

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

	December 31, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	$ 719,124	0%	-
1 to 30 days past due	59,684	0%	102
More than 181 days past due	3,577	100%	3,577
Total	**$ 782,385**		**3,679**

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

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

	December 31, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	$ 10,305,066	0%	-
1 to 30 days past due	173,036	0%	-
31 to 60 days past due	25,511	5%	1,267
61 to 90 days past due	1,705	30%	512
91 to 120 days past due	2,639	50%	1,319
More than 181 days past due	16,169	100%	16,169
Total	**$ 10,524,126**		**19,267**

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

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

	December 31, 2023		
	Gross amount of notes and accounts receivable	**Weighted-average loss rate**	**Credit loss allowance**
Current	$ 901,437	0%	564
1 to 30 days past due	41,077	0%	72
61 to 90 days past due	719	49%	135
91 to 120 days past due	3,057	44%	1,347
121 to 150 days past due	459	32%	147
Total	**$ 946,749**		**2,265**

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

	2023	**2022**
Balance on January 1	$ 23,317	11,275
Expected credit loss recognized	17,569	11,593
Current period amount to be written off which was considered uncollectible	(21,000)	-
Acquired thought acquisition	4,793	-
Foreign exchange gains (losses)	532	449
Balance on December 31	**$ 25,211**	**23,317**

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

The Group's factoring of accounts receivable was as follows:

(Unit: currency in thousand)

counterparty	Sale amount		Amount available for advance payment		Amount advanced		Annual interest rate on the amount advanced (%)
2023							
Citibank	USD	6,191	USD	-	USD	6,191	6.54~7.19
	EUR	5,171	EUR	-	EUR	5,171	4.97~5.22
2022							
Citibank	USD	5,628	USD	-	USD	5,628	5.687~6.337
	EUR	1,463	EUR	-	EUR	1,463	1.05~1.3

The Group will sell its trade receivables at fair value through profit or loss to banks without recourse, and the risk and return associated to these trade receivables are mostly transferred to banks upon the sale resulting in the derecognition of these trade receivables from the balance sheet. Pursuant to the Group's factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Group, while losses from credit risk are borne by the banks.

(6) Inventories

	December 31, 2023	December 31, 2022
Finished goods	$ 2,857,518	2,559,516
Work in progress	3,656,576	3,000,636
Raw materials	6,042,303	5,229,428
	$ 12,556,397	**10,789,580**

Components of operating costs were as follows:

	For the years ended December 31, 2023	2022
Cost of goods sold	53,517,730	49,512,784
Impairment loss of property, plant and equipment (note 6 (10))	994,928	81,903
Recognition of provisions for inventory valuation loss	139,945	231,675
Unallocated fixed manufacturing expense	909,957	432,847
Reversal of provision loss	(283,200)	(316,975)
	$ 55,279,360	**49,942,234**

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

(7) Investments accounted for using equity method

Names of affiliated companies	Relationship with the Group	Main location/ country registered in	Percentage of equity ownership interests and voting rights	
			December 31, 2023	**December 31, 2022**
Actron	Mainly engages in the manufacturing of electronic component	Taiwan	Note 1	22.75 %
CWT	Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material	Taiwan	Note 2	31.61 %
Hongwang	The main business is general trading	Taiwan	Note 3	30.98 %
Accu Solar Corporation (ASC)	The main business is providing solar modules	Taiwan	24.7 %	24.7 %
Excelliance MOS Corporation	Mainly engages in the manufacturing of semiconductor	Taiwan	29 %	- %

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

	December 31, 2023	**December 31, 2022**
Carrying amount of individually insignificant associates' equity	$ 1,494,831	2,507,749

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

	For the years ended December 31,	
	2023	**2022**
Attributable to the Group:		
Net income	216,455	154,931
Other comprehensive income	31,738	(958,285)
Total comprehensive income	**248,193**	**(803,354)**

A. The Group additionally purchased outstanding shares of Actron in the year of 2023 amounting to $639,832 thousand. As of December 31, 2023, the accumulated shareholding was 24.58% and is the single largest shareholder of the investee. As of October 2, 2023, the Group obtained the support from other shareholders. Thus, the Group obtained control. The remeasured gains amounting to $2,149,169 thousand were recognized as other gains and losses (note6(26)).

B. The Group sold ordinary shares of CWT in the publicly traded market in the years of 2022 amounting to $60,108 thousand. Gains on disposal of investments amounting to $58,049 thousand were recognized as other gains and losses (note6(26)). On November 1, 2023, Global Wafers and CWT exchange shares. The swap ratio is each share of CWT for 0.02 newly issued shares of the Company. Global Wafers get entire equity of CWT.

C. The Group via its subsidiaries, namely Actron and GlobalWafers, holds 60.98% of Hongwang's shares. Thus, Hongwang was included in the consolidated structure.

D. For the years ended December 31, 2023 and 2022, the cash dividend from the investees were $137,557 throusand and $144,758 throusand, respectively, which were recognized as deductions of investments accounted for using the equity method.

E. Collateral

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

(8) Business combination

A. the Group acquired SSKT as a subsidiary

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

The Group acquired 100% shares of SSKT for CNY $100,000 thousand ($443,300 thousand). The details of fair value of identifiable net assets acquired, and liabilities assumed at the acquisition date were as follows:

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

Goodwill arising from the business acquisitions was determined as follows:

Considerations transferred	$	443,300
Add: Non-controlling interests		6,588
Less: fair value of the identifiable net assets		(417,309)
Goodwill	**$**	**32,579**

(b) As of December 31, 2023, SSKT contributed revenue of $100,441 thousand and loss after tax of $(55,737) thousand to the Group's operating results. If the acquisition had occurred on January 1, 2023, management estimated that consolidated revenue would have increased $140,396 thousand, and consolidated profit would have increased (decreased) $(35,339) thousand.

B. the Group acquired CWT as a subsidiary

(a) On November 1, 2023, the Group acquired 100% of the shares and voting interests in CWT, manufacturer and distributor of optoelectronic wafers and substrate material. As a result, the Group obtained control of CWT. The Group aims to deepen its business presence into 5G and satellite communication industries through the acquisition of CWT.

GlobalWafers issued 876,725 new shares (with a total amount of $437,924 thousand) to the shareholders of CWT as a consideration and carried out share conversion with CWT allowing the Group to acquire 100% ownership of CWT. The details of fair value of identifiable net assets acquired, and liabilities assumed at the acquisition date were as follows:

Cash and cash equivalents	$	122,168
Notes and accounts receivable, net		15,866
Accounts receivable due from related parties		953
Inventories		20,727
Other current assets		35,038
Property, plant and equipment		140,065
Intangible assets		116
Other non-current assets		404,235
Short-term borrowings		(140,000)
Notes and accounts payable		(18,272)
Accounts payable to related parties		(12,225)
Other current liabilities		(54,025)
Long-term borrowings		(44,688)
Other non-current liabilities		(32,034)
	$	**437,924**

Goodwill arising from the business acquisitions was determined as follows:

Consideration transferred	$	437,924
Less: fair value of the identifiable net assets		(437,924)
Goodwill	$	-

(b) For the two months ended December 31, 2023, CWT contributed revenue of $14,808 thousand and loss after tax of $(18,679) thousand to the Group's operating results. If the acquisition had occurred on January 1, 2023, management estimated that consolidated revenue would have increased $80,762 thousand, and consolidated profit after tax would have increased (decrease) $(15,898) thousand.

C. the Group acquired Actron as a subsidiary

(a) The Group had acquired total of 24.58% of the common shares of Actron and is the single largest shareholder of the investee. As of October 2, 2023, the Group obtained the support from other shareholders. Considering the Group's power over the investee, exposure or rights to variable returns, and the ability to use its power over the entity to affect the amount of the investee's remuneration, the Group obtained the control over the investee and included it in the consolidated financial statements from the date of obtaining control.

(b) The details of the identifiable net assets acquired, the fair value of the bank assumed and the goodwill recognized are as follows:

The details of the fair value of the identifiable assets and liabilities assumed by Actron and its subsidiaries on October 2, 2023 (the date when control was obtained) are as follows:

Considerations transferred			$	-
Add: Fair value of original interest in acquiree				4,263,936
Non-controlling interests				7,735,704
Less: fair value of the identifiable net assets				
Cash and cash equivalents	$	1,889,146		
Financial assets measured at amortized cost - current		984,609		
Accounts receivable, net		984,783		
Inventories		1,170,545		
Other current assets		169,124		
Financial assets at fair value through other comprehensive income -non-current		814,665		
Financial assets measured at amortized cost - non-current		18,410		

Investments accounted for using equity method	2,496,051	
Property, plant and equipment	6,604,990	
Right-of-use assets	333,248	
Intangible assets	9,427	
Intangible assets - goodwill	1,137,588	
Other non-current assets	74,853	
Short-term borrowings	(1,115,020)	
Notes and accounts payable	(630,715)	
Other payables	(510,196)	
Right-of-use assets - current/non-current	(320,351)	-
Long-term borrowings (current portion)	(1,304,706)	-
Bonds payable	(758,604)	-
Other current liabilities	(368,449)	-
Other non-current liabilities	(219,165)	11,460,233
Goodwill		**$ 539,407**

(c) Intangible assets

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

(d) Pro forma of operating results

Since October 2, 2023 the operating results of Actron have been merged into the consolidated comprehensive income statment of the Group. The net operating revenues and net profit after tax contributed are $1,625,130 thousand and $(19,601) thousand, respectively. If it is assumed that the acquisition date occured on January 1, 2023, the pro forma net operating revenues and net profit after tax of the Group from January 1 to December 31, 2023 will increase by $5,648,694 thousand and $611,762 thousand, respectively.

D. the Group acquired Hongwang as a subsidiary

(a) As of 2 October, Hongwang is considered a subsidiary. The Group via its subsidiaries, namely Actron and GlobalWafers, holds 60.98% of Hongwang's shares. Thus, Hongwang was included in the consolidated financial statements.

(b) The details of the identifiable net assets acquired, the fair value of the bank assumed and the goodwill recognized are as follows:

The details of the fair value of the identifiable assets and liabilities assumed by Hongwang on October 2, 2023 (the date when control was obtained) are as follows:

Consideration transferred		$ -
Add: Fair value of original interest in acquiree		2,147,538
Non-controlling interests		1,374,170
Less: fair value of the identifiable net assets		
Cash and cash equivalents	$ 595	
Financial assets at fair value through other comprehensive income	3,932,850	
Short-term borrowings	(411,700)	
Other current liabilities	(37)	
Other non-current liabilities	-	3,521,708
Goodwill		$ -

(c) Pro forma of operating results

Since October 2, 2023 the operating results of Hongwang have been merged into the consolidated comprehensive income statment of the Group. The net operating revenues and net profit after tax contributed are $0 thousand and $(2,218) thousand, respectively. If it is assumed that the acquisition date occured on January 1, 2023, the pro forma net operating revenues and net profit after tax of the Group from January 1 to December 31, 2023 will increase by $0 thousand and $(4,909) thousand, respectively.

E. Acquiring Advanced Wireless as a subsidiary

(a) Considerations transferred to acquire a subsidiary

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

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

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

Considerations transferred		$ -
Add: The fair value of the original equity of the acquiree		3,881,588
Non-controlling interests		8,959,385
Less: The fair value of identifiable net assets		
Cash and cash equivalents	$ 2,508,530	
Notes and accounts receivable, net	277,369	
Financial assets at fair value through profit or loss	33,413	
Inventories	492,875	
Prepayment	203,590	
Other current assets and other financial assets	17,714	
Property, plant and equipment, net	5,365,441	
Intangible assets－patent right	717,900	
Intangible assets－knowledge technology	742,200	
Intangible assets－customer relationships	2,243,400	
Intangible assets	15,596	
Right-of use assets	91,290	
Prepayment of equipment	175,253	
Other non-current assets and other financial assts－non-current	11,341	
Accounts payable	(140,988)	
Contract liabilities－current	(59,255)	
Other payables	(283,388)	
Other current liabilities	(14,779)	
Other non-current liabilities	(99,970)	12,297,532
Goodwill		**$ 543,441**

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

(c) Intangible assets

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

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

(d) Pro forma of operating results

Since June 20, 2022, the operating results of Advanced Wireless have been merged into the consolidated comprehensive income statement of the Group. The net operating revenues and net profit after tax contributed are $1,032,683 thousand and $(206,885) thousand, respectively. If it is assumed that the acquisition date occurred on January 1, 2022, the pro forma net operating revenues and net profit after tax of the Group from January 1 to September 31, 2022 will increase by $2,163,752 thousand and $(139,741) thousand, respectively.

(e) Change in ownership interest in subsidiaries did not result in loss of control

In July 2022, the Group acquired additional shares of Advanced Wireless for a consideration of $66,839 thousand, which increased the Group's equity in Advanced Wireless to 27.62%.

The effect of the change in the Group's ownership interest in the subsidiary on the equity attributable to the parent company was capital surplus-the difference between the actual acquisition or disposal price of the subsidiary's shares and the book value of $9,899 thousand.

(9) Material non-controlling interests of subsidiaries

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

		% of ownership interests under non-controlling interests as well as the voting rights	
Name of subsidiary	**Main business place / company registered country**	**December 31, 2023**	**December 31, 2022**
GlobalWafers	Taiwan	48.86 %	48.83 %
Advanced Wireless	Taiwan	72.38 %	72.38 %
Actron	Taiwan	75.42 %	Note 4(3)

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

A. The following summarizes the financial information of GlobalWafers:

	December 31, 2023	December 31, 2022
Current assets	$ 90,101,089	109,597,731
Non-current assets	98,886,912	59,898,247
Current liabilities	(74,274,283)	(35,793,648)
Non-current liabilities	(48,260,093)	(79,378,325)
Net assets	**$ 66,453,625**	**54,324,005**
Net assets attributable to non-controlling interests	**$ 32,469,241**	**24,459,219**

	For the years ended December 31,	
	2023	**2022**
Sales revenue	**$ 70,651,593**	**70,286,871**
Net income	$ 19,769,641	15,367,386
Other comprehensive income	(461,302)	(363,953)
Net profit attributable to non-controlling interests	**$ 19,308,339**	**15,003,433**
Net income, attributable to non-controlling interests	**$ 9,659,447**	**7,503,895**
Comprehensive income, attributable to non-controlling interests	**$ 9,434,054**	**7,326,176**
Net cash flows from operating activities	$ 18,564,765	37,566,380
Net cash flows used in investing activities	(73,041,536)	(12,734,054)
Net cash flows used in financing activities	(1,903,413)	(8,196,157)
Effects of changes in foreign exchange rates	(913,252)	927,436
Net increase (decrease) in cash and cash equivalents	**$ (57,293,436)**	**17,563,605**

B. The following summarizes the financial information of Actron

	December 31, 2023
Current assets	$ 5,211,771
Non-current assets	10,201,865
Current liabilities	(3,279,653)
Non-current liabilities	(2,099,733)
Net assets	**$ 10,034,250**
Net assets attributable to non-controlling interests	**$ 7,567,831**

	October 2, 2023 to December 31, 2023
	2023
Sales revenue	$ **1,625,130**
Net income	$ (19,601)
Other comprehensive income	438,381
Net profit attributable to non-controlling interests	$ **418,780**
Net income, attributable to non-controlling interests	$ (14,783)
Comprehensive income, attributable to non-controlling interests	$ **315,844**

	2023
Net cash flows from operating activities	$ 1,050,506
Net cash flows used in investing activities	(953,205)
Net cash flows used in financing activities	1,040,531
Effects of changes in foreign exchange rates	(1,818)
Net increase in cash and cash equivalents	$ **1,136,014**

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

	December 31, 2023	December 31, 2022
Current assets	$ 3,572,983	2,689,541
Non-current assets	5,228,068	5,214,027
Current liabilities	(828,039)	(408,343)
Non-current liabilities	(490,896)	(96,998)
Net assets	$ **7,482,116**	**7,398,227**
Net assets attributable to non-controlling interests	$ **5,415,556**	**5,354,837**

	January 1, 2023 to December 31, 2023	June 20, 2022 to December 31, 2022
Sales revenue	$ **2,723,100**	**964,769**
Net income	$ 82,726	60,760
Net profit attributable to non-controlling interests	$ **82,726**	**60,760**
Net income, attributable to non-controlling interests	$ 59,877	43,978
Comprehensive income, attributable to non-controlling interests	$ **59,877**	**43,978**

	For the years ended December 31, 2023	For the years ended December 31, 2022
Net cash flows from operating activities	$ 136,592	507,698
Net cash flows used in investing activities	(498,024)	(1,089,076)
Net cash flows from used in financing activities	427,245	(556,064)
Net increase (decrease) in cash and cash equivalents	**$ 65,813**	**(1,137,442)**

(10) Property, plant and equipment

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

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:						
Balance at January 1, 2023	$ 4,075,968	21,157,254	54,827,539	10,996,666	9,096,604	100,154,031
Acquisition in business combination	1,807,756	6,148,141	17,798,869	804,304	647,217	27,206,287
Additions	16,044	164,013	413,445	1,089,633	39,623,455	41,306,590
Disposals	-	(73,984)	(1,500,121)	(337,633)	(32,717)	(1,944,455)
Reclassification and transfer	8,608	5,327,709	8,127,213	570,169	(14,150,008)	(116,309)
Effect of changes in exchange rates	(104,056)	(610,519)	(2,028,050)	(114,477)	(423,951)	(3,281,053)
Balance at December 31, 2023	**$ 5,804,320**	**32,112,614**	**77,638,895**	**13,008,662**	**34,760,600**	**163,325,091**
Balance at January 1, 2022	$ 3,842,571	19,586,597	44,302,218	9,146,410	3,776,143	80,653,939
Acquisition in business combination	-	757,629	4,973,813	291,887	2,793,952	8,817,281
Additions	-	27,574	1,026,831	971,430	9,617,885	11,643,720
Disposals	-	(92,884)	(2,350,820)	(112,459)	(10,036)	(2,566,199)
Reclassification and transfer	145,833	535,976	6,129,847	310,006	(7,282,654)	(160,992)
Effect of changes in exchange rates	87,564	342,362	745,650	389,392	201,314	1,766,282
Balance at December 31, 2022	**$ 4,075,968**	**21,157,254**	**54,827,539**	**10,996,666**	**9,096,604**	**100,154,031**
Depreciation and impairment loss:						
Balance at January 1, 2023	$ -	10,530,885	32,490,225	5,215,953	51,006	48,288,069
Acquisition in business combination	24,476	3,610,590	15,945,554	570,904	1,974	20,153,498
Depreciation for the period	-	913,178	6,379,488	846,049	-	8,138,715
Impairment loss	-	230,666	304,548	459,714	-	994,928
Disposals	-	(71,005)	(1,402,766)	(320,699)	-	(1,794,470)
Reclassification and transfer	-	(326)	(880)	9,172	(12,140)	(4,174)
Effect of changes in exchange rates	-	(374,343)	(1,667,355)	(77,460)	(6)	(2,119,164)
Balance at December 31, 2023	**$ 24,476**	**14,839,645**	**52,048,814**	**6,703,633**	**40,834**	**73,657,402**

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Balance at January 1, 2022	$ -	9,687,568	26,362,424	4,163,335	12,140	40,225,467
Acquisition in business combination	-	60,614	3,139,764	251,462	-	3,451,840
Depreciation for the period	-	798,934	5,143,115	772,934	-	6,714,983
Impairment loss	-	20,667	13,072	10,388	37,776	81,903
Disposals	-	(84,794)	(2,342,367)	(110,348)	-	(2,537,509)
Reclassification and transfer	-	808	(298)	(2,218)	-	(1,708)
Effect of changes in exchange rates	-	47,088	174,515	130,400	1,090	353,093
Balance at December 31, 2022	**$ -**	**10,530,885**	**32,490,225**	**5,215,953**	**51,006**	**48,288,069**
Carrying amounts:						
Balance at December 31, 2023	**$ 5,779,844**	**17,272,969**	**25,590,081**	**6,305,029**	**34,719,766**	**89,667,689**
Balance at January 1, 2022	**$ 3,842,571**	**9,899,029**	**17,939,794**	**4,983,075**	**3,764,003**	**40,428,472**
Balance at December 31, 2022	**$ 4,075,968**	**10,626,369**	**22,337,314**	**5,780,713**	**9,045,598**	**51,865,962**

B. Impairment loss

As of December 31, 2023 and 2022, the Group recognized impairment loss of some machinery amount to $994,928 thousand and $81,903 thousand, respectively, due to the changes in production technology, which incurred as operating costs in the statement of comprehensive income.

C. Collateral

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

D. Property, plant and equipment in construction

For the Group’ s capital expenditure plan, the total amount of expenditures incurred but the construction has not yet been completed is $34,576,850 thousand, which includes capitalized borrowing costs related to the acquisition of the construction of the property, plant and equipment of $245,107 thousand, calculated using a capitalization interest rate of 4.53%-6.29%.

(11) Right-of-use assets

	Land	Buildings	Machinery and equipment	Other equipment	Total
Cost:					
Balance at January 1, 2023	$ 814,458	265,192	315	191,891	1,271,856
Acquisition through business combination	381,770	28,543	-	5,276	415,589
Additions	-	57,170	-	472,255	529,425
Disposals and transfer	(8,758)	(26,352)	(320)	(101,370)	(136,800)
Effect of changes in exchange rates	(2,376)	(6,867)	5	(11,358)	(20,596)
Balance at December 31, 2023	**$ 1,185,094**	**317,686**	**-**	**556,694**	**2,059,474**
Balance at January 1, 2022	$ 704,559	277,618	284	225,243	1,207,704
Acquisition through business combination	113,068	-	-	-	113,068
Additions	-	16,660	-	49,875	66,535
Disposals and transfer	(1,854)	(27,764)	-	(85,447)	(115,065)
Effect of changes in exchange rates	(1,315)	(1,322)	31	2,220	(386)
Balance at December 31, 2022	**$ 814,458**	**265,192**	**315**	**191,891**	**1,271,856**
Depreciation and impairment losses:					
Balance at January 1, 2023	$ 191,314	147,234	203	117,143	455,894
Acquisition through business combination	54,521	26,300	-	1,520	82,341
Depreciation for the period	52,389	57,258	113	97,559	207,319
Disposals and transfer	(8,128)	(26,295)	(320)	(101,370)	(136,113)
Effect of changes in exchange rates	(987)	(3,639)	4	(5,019)	(9,641)
Balance at December 31, 2023	**$ 289,109**	**200,858**	**-**	**109,833**	**599,800**
Balance at January 1, 2022	$ 121,336	128,784	41	112,315	362,476
Acquisition through business combination	21,778	-	-	-	21,778
Depreciation for the period	48,483	47,124	153	87,523	183,283
Disposals and transfer	-	(27,764)	-	(84,258)	(112,022)
Effects of changes in exchange rates	(283)	(910)	9	1,563	379
Balance at December 31, 2022	**$ 191,314**	**147,234**	**203**	**117,143**	**455,894**
Carrying amount:					
Balance at December 31, 2023	**$ 895,985**	**116,828**	**-**	**446,861**	**1,459,674**
Balance at January 1, 2022	**$ 583,223**	**148,834**	**243**	**112,928**	**845,228**
Balance at December 31, 2022	**$ 623,144**	**117,958**	**112**	**74,748**	**815,962**

(12) Intangible assets

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

		Goodwill	Patents, expertise and trademarks	Development costs	Customer relationship and knowledge technology	Computer software	Total
Cost:							
Balance at January 1, 2023	$	3,021,845	2,980,488	283,615	2,985,600	146,204	9,417,752
Acquisition in business combination		1,993,160	33,046	-	-	79,369	2,105,575
Additions		-	-	-	-	11,860	11,860
Reclassification		-	-	-	-	34	34
Disposals		-	-	-	-	(18,996)	(18,996)
Effect of changes in exchange rates		(78,882)	(504)	9,523	-	(290)	(70,153)
Balance at December 31, 2023	$	**4,936,123**	**3,013,030**	**293,138**	**2,985,600**	**218,181**	**11,446,072**
Balance at January 1, 2022	$	2,285,772	2,249,195	272,823	-	75,178	4,882,968
Acquisition in business combination		543,441	717,900	-	2,985,600	30,309	4,277,250
Additions		-	-	-	-	32,149	32,149
Reclassification		-	-	-	-	864	864
Disposals		-	-	-	-	(70)	(70)
Effect of changes in exchange rates		192,632	13,393	10,792	-	7,774	224,591
Balance at December 31, 2022	$	**3,021,845**	**2,980,488**	**283,615**	**2,985,600**	**146,204**	**9,417,752**
Amortization and impairment loss:							
Balance at January 1, 2023	$	-	1,869,818	225,227	100,251	97,876	2,293,172
Acquisition in business combination		283,636	-	-	-	69,462	353,098
Amortization for the year		-	129,035	12,493	189,147	22,051	352,726
Disposals		-	-	-	-	(18,996)	(18,996)
Effect of changes in exchange rates		543,441	348,250	-	1,871,554	-	2,763,245
Impairment loss		-	(76)	7,649	-	41	7,614
Balance at December 31, 2023	$	**827,077**	**2,347,027**	**245,369**	**2,160,952**	**170,434**	**5,750,859**
Balance as of January 1, 2022	$	-	1,589,132	204,180	-	64,307	1,857,619
Acquisition in business combination		-	-	-	-	14,713	14,713
Amortization for the year		-	267,293	12,404	100,251	11,946	391,894
Disposals		-	-	-	-	(70)	(70)
Effect of changes in exchange rates		-	13,393	8,643	-	6,980	29,016
Balance at December 31, 2022	$	**-**	**1,869,818**	**225,227**	**100,251**	**97,876**	**2,293,172**
Carrying amounts:							
Balance at December 31, 2023	$	**4,109,046**	**666,003**	**47,769**	**824,648**	**47,747**	**5,695,213**
Balance at January 1, 2022	$	**2,285,772**	**660,063**	**68,643**	**-**	**10,871**	**3,025,349**
Balance at December 31, 2022	$	**3,021,845**	**1,110,670**	**58,388**	**2,885,349**	**48,328**	**7,124,580**

Intangible assets (include goodwill) impairment testing

For the purpose of impairment testing, goodwill was allocated to the semiconductor business segment, renewable energy segment and automotive components segment. Each segment regularly performs impairment testing of the above intangible assets according to its cash-generating units. The Group’s goodwill has been tested for impairment at least once at the end of each annual reporting period and the recoverable amount is determined based on discounted cash flows.

The recoverable amount of Company had been determined based on a value in use calculation. The calculation uses pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. As the actual operating revenue generated by specific semiconductor cash-generating unit was not as expected, based on the test results, the amount of impairment recognized by the cash-generating unit was $2,763,245 thousand in 2023. As of December 31 2022, the recoverable amount was greater than its carrying amount and no impairment loss was recognized.

The key assumptions used in the estimation of value in use were as follows:

	December 31, 2023	**December 31, 2022**
Discount rate	8.43%~12.38%	11.48%~12.01%
Growth rate	2.22%	2.18%

The discount rate was a pre-tax measure based on the rate of ten-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specific CGU.

Cash flow projections are based on five-year financial budgets estimated by the management.

The intangible assets mentioned above were not pledged as collateral.

(13) Other assets－current and non-current

	December 31, 2023	**December 31, 2022**
Prepayment of materials	$ 1,041,924	1,166,814
Tax refunds and credits	1,314,909	695,281
Prepayment of equipment	4,265,005	3,544,427
Others	852,312	979,329
	$ 7,474,150	**6,385,851**

(14) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank loans	$ 31,397,962	9,796,000
Secured bank loans	413,200	-
Unsecured bank loans	**$ 31,811,162**	**9,796,000**
Unused credit lines	**$ 79,524,228**	**50,900,688**
Range of interest rates at the year end	**0.7%~6.07%**	**1.24%~1.99%**

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

(15) Long-term borrowings

The details of long-term borrowings were as follows:

	December 31, 2023		
	Interest	**Maturity**	**Amount**
Unsecured borrowings	0.10%~6.03%	2026.1~2029.12	$ 6,384,827
Less: current portion			(1,870,689)
Total			**$ 4,514,138**

	December 31, 2022		
	Interest	**Maturity**	**Amount**
Unsecured borrowings	5.22%	2029.12	$ 903,641
Less: current portion			(35,316)
Total			**$ 868,325**

	December 31, 2023	December 31, 2022
Unused credit lines	**$ 2,070,000**	**2,324,000**

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

(16) Bonds payable

The details of GlobalWafers's bonds payable were as follow:

	December 31, 2023	December 31, 2022
Unsecured corporate bonds－GlobalWafers	$ 18,991,451	18,986,110
Unsecured convertible bonds－GlobalWafers	6,647,050	23,793,835
Less: current portion	(13,745,450)	-
Total	**$ 11,893,051**	**42,779,945**

A. On April 21, 2021, GlobalWafers' Board of Directors resolved to issue the first unsecured ordinary bonds for the year ended December 31, 2021, and issued through the Taipei Fubon Commercial Bank Co., Ltd. on May 11, 2021. GlobalWafers issued the five year unsecured ordinary bonds, amounting to $6,500,000 thousand and the coupon rate is consistent with a fixed rate of 0.62% and with the maturity date on May 11, 2026.

B. On April 21, 2021, GlobalWafers' Board of Directors resolved to issue the second unsecured ordinary bonds for the year ended December 31, 2021, and issued through the Taipei Fubon Commercial Bank Co., Ltd. on August 19, 2021. GlobalWafers issued the three year and five year unsecured ordinary bonds, amounting to $12,500,000 thousand, which were divided into A and B bonds, depending on the different issuance conditions. The issuance amounts were $7,100,000 thousand and $5,400,000 thousand, respectively, with coupon rate 0.5% and 0.6%, and the maturity dates were August 19, 2024 and August 19, 2026, respectively.

C. On April 21, 2021, GlobalWafers' Board of Directors resolved to issue the first unsecured overseas convertible bonds on the Singapore Exchange Limited, which had been approved by the Financial Supervisory Commission with approval No.1100342091 on May 19, 2021. GlobalWafers issued the five year unsecured convertible bond, amounting to US$1,000,000 thousand without coupon rate, with the maturity date on June 1, 2026.

The details of unsecured convertible bonds were as follow:

		December 31, 2023	December 31, 2022
Total convertible bonds issued	$	6,841,854	24,787,249
Unamortized discounted convertible bonds payable		(194,804)	(993,414)
Cumulative converted amount		-	-
Convertible bonds balance at period end	**$**	**6,647,050**	**23,793,835**
Embedded derivative – call and put options, included in financial liabilities at fair value through profit or loss	**$**	**204,033**	**466,831**

		For the years ended December 31, 2023	For the years ended December 31, 2022
Embedded derivatives – gains and losses re-measurement of buy back rights and sell back rights based on (listed on other gains and losses)	**$**	**63,494**	**(381,799)**
Interest expense	**$**	**162,663**	**304,666**

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

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

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

The conversion price was 140% of the closing price of GlobalWafers's common shares on the Taipei Exchange on the pricing date, which was NT$1,040.20. The number of common shares to be delivered upon conversion of any bond will be determined by the principal amount of the bonds multiplied by the fixed exchange rate, which is NT$27.912 to US$1, which was determined on the pricing date and divided by the conversion price in effect on the date of conversion. After the issuance of the bonds, the conversion price shall be adjusted in accordance with the relevant antidilution provisions of the contract. However, due to the distribution of cash dividends by the Group, the conversion prices of the bonds have been adjusted from NT$1,040.20 to NT$1,028.46, NT$1,028.46 to NT$1,018.54, NT$1,018.54 to NT$1,003.09, NT$1,003.09 to $988.86 and NT988.86 to NT$970.33 on July 22, 2021, January 13, 2022, July 19, 2022, January 12, 2023, and July 26, 2023, respectively, the days after the ex-dividend base dates, in accordance with the aforementioned provisions. As of December 31, 2023, the adjustment to the conversion price of the bonds had been executed five times.

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

GlobalWafers redeemed the first unsecure oversea convertible bonds of US$651,000 thousand and US$100,800 thousand, respectively, in 2023 and 2022, resulting in the invalid conversion right of $1,108,959 thousand and $171,710 thousand to be reclassified from capital surplus – share options to capital surplus – others. As of December 31, 2023 and 2022, the balance of GlobalWafers' s first unsecured oversea convertible bonds amounted to US$248,200 thousand and US$899,200 thousand, respectively.

The details of Actron's bonds paypable were as follow:

	December 31, 2023
Unsecured convertible bonds－Actron	$ 799,900
Less: discount on bonds	(37,861)
Total	**$ 762,039**

On August 9, 2023, Actron issued 8 thousand NTD-denominated unsecured convertible corporate bonds with a face value of NT$100 thousand each and an interest rate of 0% at 100.5% of the face value. The principal totaled NT$800,000 thousand. The issuance period is three years, starting on August 9, 2023 and ending on August 9, 2026. Yuanta Commercial Bank Co., Ltd. is the trustee of the bondholders of the convertible corporate bonds.

Unless the bondholders of the convertible corporate bonds apply for conversion to the ordinary shares of Actron or the Actron repurchases the convertible corporate bonds from securities firms for cancellation, Actron will repay the convertible corporate bonds in cash on a lump sum basis within ten days after the maturity date thereof.

From the day following the expiration of three months after the date of issue of the convertible corporate bonds (November 10, 2023) to the maturity date (August 9, 2023), the bondholders may request Actron to convert the convertible corporate bonds to the ordinary shares at any time except (1) when the transfer of ordinary shares is suspended in accordance with the law; (2) during the period from 15th business day prior to the book closure date for stock grants, the book closure date for cash dividends, or the book closure date for cash capital increase subscription to the rights distribution record date; (3) from the record date for capital reduction to the day prior to the start date of the trading of new shares issued to replace old shares for the capital reduction; (4) from the start date of the cessation of conversion for the change of the face value of shares to the day prior to the start date of the trading of newly-issued shares.

August 1, 2023 was fixed as the base date for setting the conversion price of the convertible corporate bonds. The simple arithmetic mean of the closing prices of Actron's ordinary shares for either the business day, three business days, or five business days prior to the base date (excluded) is used as the base price. The base price is then multiplied by the conversion premium rate of 115.7% to calculate the conversion price (calculated and rounded up to the nearest NT$0.1). If the ex-right date or ex-dividend date is before the base date, the sample closing prices used to calculate the conversion price shall be imputed as the post-ex-right or post-ex-dividend prices; if the ex-right date or ex-dividend date falls within the period from the day the conversion is determined to the actual issue date, the conversion price shall be adjusted according to the conversion price adjustment formula. Based on the above methods, the conversion price of the convertible corporate bonds was set at NT$210 per share at issue.

Due to the issuance of ordinary shares for a cash capital increase, the conversion price shall be adjusted in accordance with the Regulations Governing the Initial Issuance and Conversion of Domestic Unsecured Convertible Corporate Bonds. As a result, the price for the initial conversion of the domestic unsecured convertible corporate bonds was adjusted from NT$210 to NT$208 on September 25, 2023.

The convertible corporate bonds include liability and equity components. The equity components are stated as capital surplus-share options in equity. The effective interest rate initially recognized for the liability components was 1.8659%.

Issue proceeds (less the transaction cost and the adjustments related to income tax effects)	$	800,740
Equity components (less the transaction cost allocated to equity and the adjustments related to income tax effects)		(43,937)
Deferred tax assets		36
Liability components on the issue date (less the transaction cost allocated to liabilities)		756,839
Interest calculated based on effective interest rate 1.8659%		5,296
Convertible corporate bonds into ordinary shares		(96)
Components of liabilities as of December 31, 2023	$	762,039

(17) Lease liabilities

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

	December 31, 2023	December 31, 2022
Current (recognized under other current liabilities)	$ 199,210	119,228
Non-current (recognized under other non-current liabilities)	$ 1,264,422	705,800

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

The amounts recognized in profit or loss were as follows:

	For the years ended December 31,	
	2023	2022
Interest on lease liabilities	$ 21,388	10,219
Variable lease payments not included in the measurement of lease liabilities	$ 9,343	3,962
Expenses relating to short-term leases	$ 25,014	25,580
Expenses relating to leases of low value assets, excluding short term leases of low value assets	$ 10,743	9,937

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

	For the years ended December 31,	
	2023	2022
Total cash outflow for leases	$ 266,503	233,670

A. Land and Buildings lease

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

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

B. Other leases

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

(18) Provisions

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

		Site restoration	Onerous contracts	Other	Total
Balance of January 1, 2023	$	59,888	3,583,065	121,055	3,764,008
Provisions made during the year		9,938	-	22,338	32,276
Provisions reversed during the year		(7,496)	(283,200)	(12,012)	(302,708)
Effect of changes in exchange rates		(1,750)	-	4,156	2,406
Balance of December 31, 2023	**$**	**60,580**	**3,299,865**	**135,537**	**3,495,982**
Current	$	15,109	270,719	7,299	293,127
Non-current		45,471	3,029,146	128,238	3,202,855
Total	**$**	**60,580**	**3,299,865**	**135,537**	**3,495,982**
Balance of January 1, 2022	$	68,325	3,900,040	9,936	3,978,301
Provisions made during the year		9,541	-	106,724	116,265
Reclassification		(11,602)	-	11,602	-
Provisions reversed during the year		(8,170)	(316,975)	(11,716)	(336,861)
Effect of changes in exchange rates		1,794	-	4,509	6,303
Balance of December 31, 2022	**$**	**59,888**	**3,583,065**	**121,055**	**3,764,008**
Current	$	14,935	417,471	9,150	441,556
Non-current		44,953	3,165,594	111,905	3,322,452
Total	**$**	**59,888**	**3,583,065**	**121,055**	**3,764,008**

A. Site restoration

Under the lease contract, if the Group does not intend to extend its leasehold, the Group needs to restore the plants. The Group estimates the provision based on the lease terms and in accordance with the Group's published environmental policy and applicable legal requirements. A provision for site restoration is made in respect of environmental cleanup costs.

B. Onerous contract

The Group entered into several non-cancellable long-term material supply agreements with the suppliers of silicon materials. The Group agrees to purchase the required quantity of raw materials on schedule based on the contractual price during the commitment periods and makes a non-refundable prepayment to the suppliers. The suppliers need to deliver the required quantity of raw materials to the Group according to the contract. Provisions for the onerous contracts were made based on contractual terms and subsequently reversed the relevant gains and losses according to the performance of the contract, and were recognized as operating costs. For the related agreement, please refer to note 9.

(19) Employee benefits

A. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value was as follows:

	December 31, 2023	December 31, 2022
Total present value of obligations	$ (3,704,846)	(5,160,899)
Fair value of plan assets	2,095,945	3,621,840
Recognized liabilities for defined benefit obligations	**$ (1,608,901)**	**(1,539,059)**

The details of the account are as follows:

	December 31, 2023	December 31, 2022
Net defined benefit asset (included in other assets－non-current)	$ -	269
Net defined benefit liabilities	(1,608,901)	(1,539,328)
	$ (1,608,901)	**(1,539,059)**

The plans entitle a retired employee to receive a pension benefit based on years of service prior to retirement.

(a) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations of the Group for the years ended December 31, 2023 and 2022 were as follows:

		2023	2022
Defined benefit obligations at January 1	$	5,160,899	7,522,079
Past service costs		5,406	-
Current service costs and interest cost		362,766	328,045
Remeasurements for defined benefit obligations			
—Actuarial gains and losses arising from experience adjustments		25,658	58,480
—Actuarial gains and losses resulting from changes in demographic adjustments		(84,151)	(1,674)
—Actuarial gains and losses resulting from changes in financial adjustments		77,089	(667,540)
Benefits paid		(1,764,794)	(2,462,209)
Reclassification		(24,566)	-
Effects of changes in exchange rates		-	383,718
Actuarial Profit (Loss)		(53,461)	-
Defined benefit obligations at December 31	$	**3,704,846**	**5,160,899**

(b) Movements in the fair value of the plan assets

The movements in the fair value of the defined benefit plan assets of the Group for the years ended December 31, 2023 and 2022 were as follows:

		2023	2022
Fair value of plan assets at January 1	$	3,621,840	5,684,647
Interest income		87,088	46,312
Remeasurements for defined benefit obligations			
—Return on plan asset (excluding current interest)		6,794	(541,106)
Contributions made		380,677	378,709
Benefits paid		(1,697,913)	(2,380,129)
Reclassification		(529,409)	-
Effect of changes in exchange rates		226,868	433,407
Fair value of plan assets at December 31	$	**2,095,945**	**3,621,840**

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

Under the employee defined benefit plans of the Group's subsidiary in Korea, the plan assets comprised of time deposits bearing annual interest rates ranging from 1.74%~2.2%.

In Italy, the Group's subsidiary contributes an amount to the National Social Security Pension Fund (INPS) for the employee defined benefit plan.

Under the employee defined benefit plans of the entities located in the United States, plan assets are comprised of trust funds with different grades of risks and returns. Plan asset portfolio consists of a variety of financial instruments including cash, equity securities, and income funds.

(c) Changes in the effect of the asset ceiling

As of December 31, 2023 and 2022, there was no effect of the asset ceiling.

(d) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

		2023	2022
Current service costs	$	267,273	276,088
Net interest of defined benefit obligation		8,405	5,645
Past service credit		5,406	-
	$	**281,084**	**281,733**
Operating Costs	$	254,461	252,958
Selling expenses		11,068	11,846
Administrative expenses		7,573	9,102
Research and development expenses		7,982	7,827
	$	**281,084**	**281,733**

(e) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	0.88%~5.53%	0.66%~5.01%
Future salary increase rate	2%~5.6%	2.29%~5.65%

The estimated amount of contribution to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $182,072 thousand.

The weighted-average durations of the defined benefit obligation are 8.9 years to 9.6 years.

(f) Sensitivity analysis

When the actuarial assumptions had changed 0.25% as of the December 31, 2023 and 2022, the impact on the present value of the defined benefit obligation would be as follows:

		Impact on defined benefit obligations	
Actuarial assumptions		**Increased by 0.25%**	**Decreased by 0.25%**
December 31, 2023			
Discount rate	$	(68,065)	72,807
Future salary increase rate	$	48,857	(45,256)
December 31, 2022			
Discount rate	$	(94,770)	99,335
Future salary increase rate	$	45,415	(42,640)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, assuming other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in previous periods. There was no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

B. Defined contribution plans

The Group contributes at the rate of 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group's contribution to the Bureau of Labor Insurance requires no additional legal or constructive obligations thereafter.

The Company's domestic subsidiaries' pension costs incurred from contributions to the defined contribution plan were $130,625 thousand and $133,458 thousand for the years ended December 31, 2023 and 2022, respectively. Such contributions were made to the Bureau of the Labor Insurance.

The total periodic pension costs of other subsidiaries were recognized as current expenses in accordance with the local regulations of their respective jurisdictions where they are domiciled. The Group recognized the pension costs of $389,296 thousand and $268,006 thousand for its overseas subsidiaries in the years of 2023 and 2022, respectively.

(20) Income tax

A. Income tax expense

The components of income tax expenses were as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Current tax expense	$ 5,450,170	5,463,153
Deferred tax expense (income)	1,320,330	(784,004)
Change of income tax rate	-	(10,940)
Income tax expense	**$ 6,770,500**	**4,668,209**

The amounts of income tax (benefit) recognized in other comprehensive income were as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit obligations	$ 101,461	11,797
Value relevance of equity instrument measured at fair value through other comprehensive income	(42,638)	(89,222)
	$ 58,823	**(77,425)**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	**$ (319,692)**	**63,730**

Reconciliations of income tax and income before income tax for 2023 and 2022 are as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Income before income tax	$ 24,549,412	20,828,706
Income tax using the Company’s domestic tax rate	4,909,882	4,165,741
Effect of tax rates in foreign jurisdiction	2,792,704	(1,182,310)
Tax effect of permanent differences	(874,778)	2,963,029
Investment tax credits	(176,289)	(716,829)
Unrecognized deferred tax and others	118,981	(561,422)
	$ 6,770,500	**4,668,209**

B. Deferred tax assets and liabilities

(a) The deferred tax assets have not been recognized in respect of the following items:

The deferred tax assets have not been recognized in respect of the following items:

	December 31, 2023	December 31, 2022
Tax effect of deductible temporary differences (including carryforward of unused tax losses)	$ 2,729,448	3,053,406

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2023 and 2022, the unused tax losses for the overseas subsidiaries of the Group that were not recognized as deferred tax assets was $515,050 thousand.

(b) Deferred tax liabilities have not been recognized with respect of the following items:

	December 31, 2023	December 31, 2022
Aggregate amount of temporary differences related to investments in subsidiaries	$ (4,081,811)	(3,963,207)

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as at December 31, 2023 and 2022. Also, the management considers it is probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized as deferred tax liabilities.

(c) Recognized deferred tax assets and liabilities

Deferred tax assets:

	January 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Effect of changes in exchange rates	Acquisition of subsidiaries	December 31, 2023
Assets:						
Allowance for inventory valuation	$ 272,801	77,991	-	(287)	9,973	360,478
Defined benefit obligations	255,279	(47,998)	975	(7,675)	-	200,581
Investment loss from subsidiaries using equity method	10,009	-	-	-	-	10,009
Expected credit loss of accounts receivable	135,912	(3,129)	-	5,149	1,008	138,940
Depreciation differences of property, plant and equipment	828,980	151,555	-	(23,829)	-	956,706
Accrued expense taxation difference	276,614	(7,912)	-	(29,193)	-	239,509
Unrealized gross profit	239,244	52,735	-	229	-	292,208
Loss deductions	30,011	411,249	-	44	397,199	838,503
Others	650,646	(181,487)	86,289	23,792	35,925	615,165
	$ 2,699,496	**453,004**	**87,264**	**(31,770)**	**444,105**	**3,652,099**
Liabilities:						
Investment profit from subsidiaries using equity method	$ (2,249,590)	(1,790,252)	191,568	-	(15,216)	(3,863,490)
Depreciation differences of property, plant and equipment and others	(2,364,296)	16,918	(17,963)	198,817	(4,709)	(2,171,233)
	$ (4,613,886)	**(1,773,334)**	**173,605**	**198,817**	**(19,925)**	**(6,034,723)**

	January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Effect of changes in exchange rates	December 31, 2022
Assets:					
Allowance for inventory valuation	$ 267,029	(3,835)	-	9,607	272,801
Defined benefit obligations	325,710	(59,442)	(8,531)	(2,458)	255,279
Investment loss from subsidiaries using equity method	10,009	-	-	-	10,009
Expected credit loss of accounts receivable	130,523	(376)	-	5,765	135,912
Depreciation life differences of property, plant and equipment	585,514	215,158	-	28,308	828,980
Invest in foreign shares	-	-	15,264	-	15,264
Others	660,170	486,659	12,174	22,248	1,181,251
	$ 1,978,955	**638,164**	**18,907**	**63,470**	**2,699,496**

	January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Effect of changes in exchange rates	December 31, 2022
Liabilities:					
Investment profit from subsidiaries using equity method	$ (2,816,538)	646,118	(79,170)	-	(2,249,590)
Invest in foreign shares	(73,958)	-	73,958	-	-
Depreciation differences of property, plant and equipment and others	(2,006,855)	(500,278)	-	142,836	(2,364,297)
	$ (4,897,351)	**145,840**	**(5,212)**	**142,836**	**(4,613,887)**

C. Assessment of tax filings

As of December 31, 2023, income tax returns of Sino-American Silicon Products Inc. for the years through 2021 were assessed by the tax authority.

The operations of the Group encompass tax matters in multiple countries. The tax treatment of each country shall be determined by the country in which the operation is situated. The taxes laws of each country shall prevail, and all declarations shall be made on time in accordance with the regulations of the country where they are located. There may be adjustments arising from tax inspections conducted by various regions, and the Group has taken appropriate measures to address these matters.

D. Global minimum top-up tax

The Group operates in Europe, Japan, Korea and Malaysia, which have enacted new legislation to implement the global minimum top-up tax. The Group expects to be subject to the top-up tax in relation to its operations in Korea, where the subsidiary in Korea receives government support through additional tax deductions that reduce its effective tax rate to below 15%. However, since the newly enacted tax legislation in Korea is only effective from January 1, 2024, there is no current tax impact for the year ended December 31, 2023.

(21) Capital and other equity

As of December 31, 2023 and 2022, the authorized ordinary shares ofSino-American Silicon Products Inc. amounted to $8,000,000 thousand, which was divided into 800,000 thousand shares, with a par value of $10 per share, of which $200,000 thousand was reserved for employee stock options, convertible preferred stock, and convertible bonds, the issued and outstanding ordinary shares amounted to $5,862,217 thousand.

The reconciliation of shares outstanding for the years ended December 31, 2023 and 2022 was as follows (in thousands of shares):

	Common stock	
	2023	**2022**
Closing balance at December 31 (i.e. closing balance at beginning of January 1)	**586,222**	**586,222**

A. Issuance of common stock

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

B. Capital surplus

The balances of capital surplus were as follows:

	December 31, 2023	December 31, 2022
Additional paid in capital	$ 7,195,673	7,195,673
Difference between the consideration and the carring amount of subsidiaries' share acquired or disposed	1,447,251	1,447,251
Capital surplus recognized under the equity method	7,670,021	7,561,496
Treasury stock transactions	33,314	33,314
Employee stock options and others	608,952	608,429
	$ 16,955,211	**16,846,163**

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

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

Relevant information can be found on the Market Observation Post System website.

C. Legal reserve

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

D. Special reserve

When the Company adopted the International Financial Reporting Standards (IFRSs) approved by the FSC for the first time, the Company had chosen to apply IFRS 1 "First time Adoption of the IFRSs" exemptions. Retained earnings was increased by $161,317 thousand due to the adjustment of accumulated translation adjustment under the sharehold's equity, which exceeded the net increase of $102,349 thousand in retained earnings on the conversion date for the first time adoption of IFRSs approved by the FSC. In accordance with Regulatory Permit issue by the FSC on April 6, 2012 a special reserve is appropriated from retained earnings based on the net increase of retained earnings to set aside an additional special reserve, as part of the distribution of its annual earnings, equal to the difference between the amount of the above mentioned special reserve and the net debit balance of other components of the stockholders' equity. The only distributable special reserve is the portion that exceeds the net debit balance of the other components of the shareholders' equuity. The carrying amount of special reserve amounted to $102,349 thousand as of December 31, 2023 and 2022.

According to the rule referred to above, while distributing the distributable earnings, the Company had additional special reserve appropriated from the current year net income and unappropriated earnings of the prior period for the difference between the net amount debited to other shareholder's equity and the balance of the special reserve appropriated in the preceding paragraph. For the amount debited to other shareholders' equity attributable to prior period accumulation, the special reserve was appropriated from the unappropriated earnings of the prior period and could not be distributed The amount debited to the shareholders' equity reversed subsequently can be distributed as earnings.

E. Earnings distribution and dividend policy

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

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

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

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

On December 15, 2023, the Company's Board of Directors resolved to distribute the first half of 2023 earnings. The earnings were appropriated as follows:

	2023	
	Dividends per share (NT dollar)	**Amount**
Dividends distributed to ordinary shareholders:		
Appropriation of the first half of earnings	$ **3.50**	**2,051,776**

On May 5, 2023 and December 8, 2022 the Board of Directors resolved to distribute for the first half and second half of 2022 earings, respectively. On May 5, 2022 and December 9, 2021 the Board of Directors resolved to distribute for the first half and second half of 2021 earning,respectively. The earnings were appropriated as follows:

	2022		2021	
	Dividends per share (NT dollar)	**Amount**	**Dividends per share (NT dollar)**	**Amount**
Dividends distributed to ordinary shareholders:				
Appropriation of the first half of earnings	$ 2.37	1,389,345	0.1067	62,550
Appropriation of the annual earnings	5.80	3,400,086	3.4522	2,023,754
Total	$ **8.17**	**4,789,431**	**3.5589**	**2,086,304**

The difference between the actual earnings distribution amount for 2022 and the company's board of directors resolution is $24 thousand due to rounding of less than $1. The above-mentioned relevant information can be obtained through channel such as Market Observation Post System.

F. Other equity, net of tax

		Exchange differences on translation of foreign financial statements	Gains (losses) on equity instruments measured at fair value through other comprehensive income	Unearned share-based employee compensation	Total
Balance at January 1, 2023	$	(4,616,247)	(1,354,989)	(2,761)	(5,973,997)
Exchange differences on translation of net assets of foreign operations		(727,608)	-	-	(727,608)
Changes in associates accounted for using equity method		-	(2,700)	-	(2,700)
Exchange differences of accounted for using equity method		158	-	-	158
Unearned share-based employee compensation for using equity method		-	-	(1,526)	(1,526)
Disposal of equity instruments measured at fair value through other comprehensive income		-	(62,281)	-	(62,281)
Unrealized gains (losses) from financial assets measured at fair vaiue through other comprehensive income		-	310,832	-	310,832
Balance at December 31, 2023	**$**	**(5,343,697)**	**(1,109,138)**	**(4,287)**	**(6,457,122)**
Balance at January 1, 2022	$	(4,905,534)	(527,417)	(6,056)	(5,439,007)
Exchange differences on translation of net assets of foreign operations		286,397	-	-	286,397
Exchange differences of accounted for using equity method		2,890	-	-	2,890
Unearned share-based employee compensation for using equity method		-	-	3,295	3,295
Unrealized gains (losses) from financial assets measured at fair vaiue through other comprehensive income		-	(232,032)	-	(232,032)
Unrealized gains (losses) from financial assets measured at fair vaiue through other comprehensive income of associates for using equity method		-	(595,540)	-	(595,540)
Balance at December 31, 2022	**$**	**(4,616,247)**	**(1,354,989)**	**(2,761)**	**(5,973,997)**

G. Non-controlling interests

		2023	2022
Balance at January 1, 2023	$	36,258,972	23,625,856
Share attributable to non-controlling interests:			
Net income		7,935,092	7,444,686
Gains (losses) on equity instruments measured at fair value through other comprehensive income		1,018,314	(379,987)
Determining benefit plans before measuring		198,390	23,042
Exchange differences on translation of foreign financial statements		(709,477)	170,294
Acquisition of subsidiary		9,120,136	8,959,385
Cash dividends to shareholders of subsidiaries		(3,790,640)	(3,008,846)
Adjustments for changes in capital surplus of subsidiaries accounted for under the equity method and others		221,049	(575,458)
Balance at December 31, 2023	$	**50,251,836**	**36,258,972**

H. Treasury shares

In prior years, Hongwang and Actron acquired 25,050 thousand and 2,000 thousand shares of the Company's shares, respectively, based on their investment strategies. In 2023, Hongwang and Actron were no longer associates of the Company, and became an indirectly holding subsidiary and an directly holding subsidiary of the Company, respectively. Therefore, the Company recognized treasury stocks amounting to NT$4,382,100 thousand which were valued at the market price of NT$162 per share as of October 2, 2023. As of December 31, 2023, the market price of the Company was NT$196 per share. Hongwang and Actron have not sold the Company’s shares as of December 31, 2023.

(22) Earnings per Share

A. Basic earnings per share

		For the years ended December 31,	
		2023	2022
Net income attributable to the shareholders of the Company	$	**9,843,820**	**8,715,811**
Weighted average number of ordinary shares outstanding (in thousands of shares)		586,222	586,222
Effect of treasury shares		(6,763)	-
Weighted average number of ordinary shares outstanding (in thousands of shares)		**579,459**	**586,222**
Basic earnings per share (NT dollar)	$	**16.99**	**14.87**

B. Diluted earnings per share

	For the years ended December 31, 2023	2022
Net income attributable to the shareholders of the Company	$ **9,843,820**	**8,715,811**
Weighted average number of ordinary shares outstanding (in thousands of shares)	579,459	586,222
Effect of dilutive potential ordinary shares (in thousands of shares)	3,533	4,585
Weighted-average number of ordinary shares outstanding (in thousands of shares) (diluted)	**582,992**	**590,807**
Diluted earnings per share (NT dollar)	$ **16.89**	**14.75**

(23) Revenue from contracts with customers

A. Details of revenues

	For the years ended December 31, 2023			
	Semiconductor Segment	**Solar energy Segment**	**Automotive components Segment**	**Total**
Primary geographical markets:				
Taiwan	$ 14,506,286	2,484,005	170,754	17,161,045
Northeast Asia (Japan and Korea)	17,646,136	33,437	297,759	17,977,332
Asia-other	17,195,134	925,751	274,636	18,395,521
America	9,398,232	1,444,738	312,435	11,155,405
Europe	14,406,732	1,287,168	264,624	15,958,524
Other areas	430,644	582,559	304,922	1,318,125
	$ **73,583,164**	**6,757,658**	**1,625,130**	**81,965,952**
Major product categories:				
Semiconductor wafers	$ 71,505,187	34,358	208,050	71,747,595
Solar cell	-	2,307,645	-	2,307,645
Solar module	-	1,274,483	-	1,274,483
Solar ingot	-	1,065,247	-	1,065,247
Semiconductor ingot	1,270,226	2,926	-	1,273,152
Solar wafer	-	225,695	-	225,695
Automotive components	-	-	1,354,332	1,354,332
Others	807,751	1,847,304	62,748	2,717,803
	$ **73,583,164**	**6,757,658**	**1,625,130**	**81,965,952**

	For the years ended December 31,			
	2022			
	Semiconductor Segment	Solar energy Segment	Automotive components Segment	Total
Primary geographical markets:				
Taiwan	$ 13,744,012	4,412,867	-	18,156,879
Northeast Asia (Japan and Korea)	20,545,266	152,398	-	20,697,664
Asia-other	15,613,913	1,272,652	-	16,886,565
America	9,022,555	2,595,351	-	11,617,906
Europe	12,247,244	1,356,906	-	13,604,150
Other areas	444,324	464,008	-	908,332
	$ 71,617,314	**10,254,182**	**-**	**81,871,496**
Major product categories:				
Semiconductor wafers	$ 69,994,420	39,368	-	70,033,788
Solar cell	-	3,523,022	-	3,523,022
Solar module	-	1,278,148	-	1,278,148
Solar ingot	-	2,764,045	-	2,764,045
Semiconductor ingot	903,822	1,315	-	905,137
Solar wafer	-	273,021	-	273,021
Others	719,072	2,375,263	-	3,094,335
	$ 71,617,314	**10,254,182**	**-**	**81,871,496**

B. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable (including related parties)	**$ 12,228,049**	**11,332,961**	**9,886,329**
Contract liabilities	**$ 35,464,270**	**39,561,054**	**29,759,181**

The major change in the balance of contract liabilities is the advance consideration received from customers for the contracts, in which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the years ended December 31, 2023 and 2022, which was included in the contract liability balance at the beginning of the period, was $6,120,699 thousand and $5,890,536 thousand, respectively.

(24) Remuneration to employees and directors

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

For the years ended December 31, 2023 and 2022, the Company accrued and recognized its employee remuneration amounting to $550,000 thousand and $564,770 thousand and directors remuneration amounting all for $55,000 thousand, respectively. These amounts were calculated by using the Company' s pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's Articles of Incorporation, and expensed under operating costs or expenses. If there would be any changes in accounting estimates, the changes shall be accounted for as profit or loss in the following year. If, however, the shareholders determine that the employee remuneration is to be distributed through share dividends, the calculation, based on the shares, shall be calculated using the share price on the day before the Board of Directors meeting. The difference between estimated amount and actual payment, if any, will be treated as change in accounting estimate and recognized in profit or loss in the following year.

The amounts as stated in the 2023 and 2022 consolidated financial statements were not significantly different from those approverd in the Board of Directors meetings. The information is available on the Market Observation Post System website.

(25) Interest income and financial costs

A. Interest income

	For the years ended December 31, 2023	For the years ended December 31, 2022
Interest income from bank deposits	$ 3,311,884	1,159,774
Interest income from financial assets measured at amortized cost	2,730	6,600
	$ 3,314,614	**1,166,374**

B. Financial costs

		For the years ended December 31,	
		2023	**2022**
Interest expense of borrowings	$	489,996	105,568
Interest expense of corporate bonds		281,499	418,205
Interest expense of lease liability		21,388	10,219
	$	**792,883**	**533,992**

(26) Other gains and losses

		For the years ended December 31,	
		2023	**2022**
Foreign exchange gains	$	235,037	3,986,877
Profit (loss) on financial assets (liabilities) measured at fair value through profit or loss		2,995,004	(10,133,889)
Gain (loss) on disposal of property, plant and equipment		131,941	109,278
Dividend income		449,104	407,388
Gain on disposal of investees		2,149,169	81,331
Revaluation of gain on disposal of investees		(2,763,245)	(16,912)
Others		7,433	207,506
	$	**3,204,443**	**(5,358,421)**

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

		For the years ended December 31,	
		2023	**2022**
Exchange differences on translation of foreign operations	$	158	2,890
Unrealized gains (losses) on financial assets at fair value through other comprehensive income		31,580	(961,175)
	$	**31,738**	**(958,285)**

(28) Financial instruments

A. Credit risk

(a) Credit risk exposure

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

(b) Concentration of credit risk

The main customers of the Group are from the solar and silicon wafer industries. The Group generally sets credit limits to its customers according to their credit evaluations. Therefore, the credit risk of the Group is mainly influenced by the solar and silicon wafer industry. As of December 31, 2023 and 2022, 41% and 40%, respectively, of the Group's accounts receivable (including related parties) were from the top 10 customers. Although there is a potential for concentration of credit risk, the Group routinely assesses the collectability of the accounts receivable and makes a corresponding allowance for doubtful accounts.

(c) Credit risks of receivables and debt securities

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

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

B. Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years or more	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Short-term borrowings	$ 31,811,162	(31,948,238)	(31,948,238)	-	-	-	-
Notes and accounts payable (including related parties)	5,958,638	(5,958,638)	(5,553,165)	(403,462)	(2,011)	-	-
Long-term borrowings (including current portion)	6,384,827	(6,664,187)	(709,636)	(1,223,005)	(2,568,790)	(1,531,482)	(631,274)
Lease liabilities - current and non-current	1,464,632	(1,522,206)	(118,793)	(102,825)	(156,658)	(348,761)	(795,169)
Ordinary bonds	18,991,451	(19,253,600)	(40,300)	(7,167,900)	(72,700)	(11,972,700)	-
Convertible bonds	7,409,089	(7,603,891)	(6,841,854)	-	-	(762,037)	-
Dividends payable	3,756,469	(3,756,469)	(3,756,469)	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	172,906	(172,906)	(97,656)	(75,250)	-	-	-
Accrued payroll and bonus	5,310,525	(5,310,525)	(5,310,525)	-	-	-	-

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years or more	Over 5 years
Derivative financial							
Forward exchange contracts:							
Inflows	-	(657,024)	(657,024)	-	-	-	-
Outflows	9,706	666,730	666,730	-	-	-	-
	$ 81,269,405	(82,180,954)	(54,366,930)	(8,972,442)	(2,800,159)	(14,614,980)	(1,426,443)
December 31, 2022							
Non-derivative financial liabilities							
Short-term borrowings	$ 9,796,000	(9,806,010)	(9,806,010)	-	-	-	-
Notes and accounts payable (including related parties)	5,130,488	(5,130,488)	(5,111,833)	(18,655)	-	-	-
Long-term borrowings (including current portion)	903,641	(1,203,109)	(43,865)	(40,784)	(80,646)	(236,406)	(801,408)
Lease liabilities - current and non-current	825,028	(890,554)	(70,699)	(64,372)	(116,256)	(208,611)	(430,616)
Ordinary bonds	18,986,110	(19,361,800)	(40,300)	(67,900)	(7,208,200)	(12,045,400)	-
Convertible bonds	23,793,835	(24,787,249)	-	-	-	(24,787,249)	-
Dividends payable	3,257,330	(3,257,330)	(3,257,330)	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	127,888	(127,888)	(73,528)	(54,360)	-	-	-
Accrued payroll and bonus	4,392,988	(4,392,988)	(3,192,876)	(1,200,112)	-	-	-
Derivative financial liabilities							
Exchange rate swap contracts							
Inflows	1,219	(115,739)	(115,739)	-	-	-	-
Outflows	-	114,520	114,520	-	-	-	-
Forward exchange contracts:							
Inflows	-	(1,053,481)	(1,053,481)	-	-	-	-
Outflows	(32,415)	1,085,896	1,085,896	-	-	-	-
	$ 67,182,112	(68,926,220)	(21,565,245)	(1,446,183)	(7,405,102)	(37,277,666)	(1,232,024)

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

C. Currency risk

(a) Exposure to foreign currency risk

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

	December 31, 2023		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary Items			
USD	$ 547,074	30.705	16,797,907
JPY	13,938,825	0.2172	3,027,513
EUR	195,425	33.98	6,640,544
CNY	55,719	4.327	241,096
Non-monetary items			
USD	18,850	30.705	Note
Financial liabilities			
Monetary Items			
USD	443,356	30.705	13,613,246
JPY	15,301,304	0.2172	3,323,443
EUR	59,218	33.98	2,012,228
CNY	51,989	4.327	224,956
Non-monetary items			
USD	2,200	30.705	Note

	December 31, 2022		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary Items			
USD	$ 1,295,777	30.71	39,793,312
JPY	5,678,114	0.2324	1,319,663
EUR	109,741	32.72	3,590,726
CNY	28,962	4.408	127,664
Non-monetary items			
JPY	33,500	30.71	Note

	December 31, 2022		
	Foreign currency	**Exchange rate**	**NTD**
Financial liabilities			
Monetary Items			
USD	1,398,542	30.71	42,943,225
JPY	10,001,886	0.2324	2,324,438
EUR	98,588	32.72	3,225,799
CNY	48,084	4.408	211,594
Non-monetary items			
EUR	3,500	32.72	Note

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

(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, long and short-term loans, and notes and accounts payables that are denominated in foreign currency. A weakening (strengthening) of 1% of the NTD against the USD, JPY, EUR and CNY as of December 31, 2023 and 2022, net income before income taxes would have decreased or increased by $75,332 thousand and increased or decreased by $38,801 thousand for the years ended December 31, 2023 and 2022, respectively. The analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(c) Foreign exchange gain and losses on monetary exchange

Since the Group has many kinds of functional currencies, the information on foreign exchange gain on monetary items is disclosed by an aggregate amount. For the years ended December 31, 2023 and 2022, foreign exchange losses (including realized and unrealized portions) amounted to $235,037 thousand and $3,986,877 thousand, respectively.

D. Interest rate analysis

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

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

If the interest rate had increased or decreased by 0.25%, the Group's net income before income tax would have increased or decreased by $52,115 thousand and $87,520 thousand, for the years ended December 31, 2023 and 2022, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's bank deposits and borrowings with variable rates.

E. Other price risk

For the years ended December 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31,			
	2023		2022	
Prices of securities at the reporting date	**Other comprehensive income before tax**	**Net income**	**Other comprehensive income before tax**	**Net income**
Increasing 5%	$ 173,243	616,332	72,242	457,296
Decreasing 5%	(173,243)	(616,232)	(72,242)	(457,296)

F. Fair value of financial instruments

(a) Fair value hierarchy

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

	December 31, 2023				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss - current					
Forward exchange contract	$ 9,995	-	9,995	-	9,995
Financial assets at fair value through profit or loss－non-current					
Privately offered fund	242,864	-	-	242,864	242,864
Overseas securities held	12,324,634	12,324,634	-	-	12,324,634
Subtotal	$ 12,567,498	12,324,634	-	242,864	12,567,498
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 1,725,448	1,725,448	-	-	1,725,448
Overseas securities held	536,919	536,919	-	-	536,919
Non-public offer equity instrument measured at fair value	1,202,498	-	-	1,202,498	1,202,498
Subtotal	$ 3,464,865	2,262,367	-	1,202,498	3,464,865

	December 31, 2023				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 30,827,503	-	-	-	-
Notes and accounts receivable (including related parties)	12,228,049	-	-	-	-
Other financial assets－current and non-current	44,397,262	-	-	-	-
Subtotal	**$ 87,452,814**	**-**	**-**	**-**	**-**
Financial liabilities at fair value through profit or loss:					
Forward exchange contract	$ 289	-	289	-	289
Embedded derivative instruments in convertible bonds	204,033	-	204,033	-	204,033
Subtotal	**$ 204,322**	**-**	**204,322**	**-**	**204,322**
Financial liabilities measured at amortized cost:					
Short-term borrowings	31,811,162	-	-	-	-
Notes and accounts receivable (including related parties)	5,958,638	-	-	-	-
Long-term borrowings (including current portion)	6,384,827	-	-	-	-
Dividends payable	3,756,469	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	172,906	-	-	-	-
Accrued payroll and bonus	5,310,525	-	-	-	-
Ordinary bonds (including current portion)	18,991,451	-	-	-	-
Convertible bonds	7,409,089	-	-	-	-
Lease liabilities－current and non-current	1,464,632	-	-	-	-
Subtotal	**$ 81,259,699**	**-**	**-**	**-**	**-**

	December 31, 2022				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss-current					
Forward exchange contract	**$ 32,415**	**-**	**32,415**	**-**	**32,415**
Financial assets at fair value through profit or loss－non-current					
Private equity	$ 185,793	-	-	185,793	185,793
Overseas securities	9,145,927	9,145,927	-	-	9,145,927
Subtotal	**$ 9,331,720**	**9,145,927**	**-**	**185,793**	**9,331,720**

	December 31, 2022				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 186,844	186,844	-	-	186,844
Overseas securities	673,747	673,747	-	-	673,747
Non-public offer equity instrument measured at fair value	584,254	-	-	584,254	584,254
Subtotal	**$ 1,444,845**	**860,591**	**-**	**584,254**	**1,444,845**
Financial assets measured at amortized cost					
Cash and cash equivalents	86,215,158	-	-	-	-
Notes and accounts receivable (including related parties)	11,338,088	-	-	-	-
Other financial assets－current and non-current	5,726,375	-	-	-	-
Corporate bonds－current	331,609	-	331,609	-	331,609
Subtotal	**$ 103,611,230**	**-**	**331,609**	**-**	**331,609**
Financial liabilities measured at fair value through profit or loss:					
Swap exchange contract	1,219	-	1,219	-	1,219
Embedded derivative instruments in convertible bonds	466,831	-	466,831	-	466,831
	$ 468,050	**-**	**468,050**	**-**	**468,050**
Financial liabilities measured at amortized cost:					
Short-term borrowings	9,796,000	-	-	-	-
Notes and accounts receivable (including related parties)	5,130,488	-	-	-	-
Long-term borrowings (including current portion)	903,641	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	127,888	-	-	-	-
Convertible bonds	23,793,835	-	-	-	-
Ordinary corporate bonds	18,986,110	-	-	-	-
Current and non-current lease liabilities	825,028	-	-	-	-
Subtotal	**$ 59,562,990**	**-**	**-**	**-**	**-**

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

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

Financial assets measured at amortized cost

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

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

i. Non-derivative financial instruments

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

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

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

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

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

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

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

ii. Derivative financial instruments

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

(d) Reconciliation of Level 3 fair value

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

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
Balance at January 1, 2023	$ 185,793	584,254
Addition in investment	33,741	613,415
Recognized in profit or loss	41,238	-
Recognized in other comprehensive income	-	47,608
Capital reduction of investment	(17,908)	(21,414)
Reclassification	-	(21,000)
Effect of changes in exchange rate	-	(365)
Balance at December 31, 2023	**$ 242,864**	**1,202,498**
Balance at January 1, 2022	$ 195,163	401,748
Addition in investment	28,578	331,970
Recognized in profit or loss	(29,376)	-
Recognized in other comprehensive income	-	(156,710)
Refund	(8,572)	(17,911)
Effect of changes in exchange rate	-	25,157
Balance at December 31, 2022	**$ 185,793**	**584,254**

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

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

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value
Financial assets at fair value through other comprehensive income equity investments without an active market	Comparable listed companies approach	· Equity value multiplier (as of December 31, 2023 and December 31, 2022 were 2.10%~8.24% and 2.07%~5.85%, respectively) · Market liquidity discount rate (December 31, 2023 and December 31, 2022 were all 15.70%~30%)	· The higher the multiplier, the higher the fair value · The higher the lack of market liquidity, the lower the fair value

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

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

(29) Financial risk management

A. Overview

The Group has exposures to the following risks from its financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

B. Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The board is responsible for developing and monitoring company's risk management policies. Internal auditors assist the Board of Directors to monitor and review the risk management control and internal procedures regularly and report them to the Board of Directors.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, and the results of which are reported to the audit committee.

C. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(a) Accounts receivables and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and reviewed quarterly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

(b) Investment

The credit risk exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Group's finance department. As the Group deals with banks, financial institutions, and other external parties with good credit standing, corporate organization and government agencies which are graded above par level, management believes that the Group does not have compliance issues and no significant credit risk.

(c) Guarantee

According to the Group's policy, the Group can only provide endorsements for companies with business dealing, the companies directly or indirectly owned more than 50% shares with voting right by the Group, or the companies directly or indirectly owned more than 50% shares with voting right of the Group. As of December 31, 2023 and 2022 the Group did not provide any endorsement guarantees except to its subsidiaries.

D. Liquidity risk

There is no liquidity risk of being unable to raise capital to settle contract obligations since the Group has sufficient capital and working capital to fulfill contract obligations.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2023 and 2022, the Group's unused credit lines were $81,594,228 thousand and $35,207,145 thousand, respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollar (NTD), but also include the Chinese Yen (CNY), US Dollar (USD), Japanese Yen (JPY) and Euro (EUR). These transactions are denominated in NTD, USD, JPY and EUR.

Interest is denominated in the currency used in borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily NTD, but also include USD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when it is necessary to address short-term imbalances.

(b) Interest rate risk

The Group holds variable-rate assets and liabilities, which cause the exposure to interest rate risk in cash flows.

(c) Price floating risk on equity instruments

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading.

Information on the risk was disclosed in note 6(28).

(30) Capital management

The Board of Directors' policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, capital surplus, retained earnings and other equity interests of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary stockholders.

The Group's debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 143,501,050	128,477,846
Less: cash and cash equivalent	(30,827,503)	(86,215,158)
Net debts	**$ 112,673,547**	**42,262,688**
Total equity	**$ 81,994,175**	**68,131,544**
Debt-to-equity ratio	**137.42%**	**62.03%**

The increase in the debt-to-equity ratio as of December 31, 2023 was mainly due to the increase in borrowings and the transfer of cash to time deposits, which were classified as financial assets.

(31) Cash flow information

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

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

Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Foreign exchange movement and others	December 31, 2023
Short-term borrowings	$ 9,796,000	20,884,819	1,130,343	31,811,162
Long-term borrowings (including current portion)	903,641	4,170,635	1,310,551	6,384,827
Lease liabilities	825,028	(221,403)	860,007	1,463,632
Bonds payable	42,779,945	(17,644,805)	1,265,400	26,400,540
Guarantee deposit received	1,558,715	39,758	-	1,598,473
Total liabilities from financing activities	**$ 55,863,329**	**7,229,004**	**4,566,301**	**67,658,634**

		January 1, 2022	Cash flows	Foreign exchange movement and others	December 31, 2022
Short-term borrowings	$	7,759,302	2,036,698	-	9,796,000
Long-term borrowings		1,030,876	(228,646)	101,411	903,641
Lease liabilities		852,666	(194,191)	166,553	825,028
Bonds payable		45,124,740	(2,748,404)	403,609	42,779,945
Guarantee deposit received		1,397	1,545,318	12,000	1,558,715
Total liabilities from financing activities	$	**54,768,981**	**410,775**	**683,573**	**55,863,329**

7. Related-party transactions:

(1) Names and relationships of related parties

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

Names of related parties	Relationship with the Group
Actron (Note 3)	Relationship with the Group
CWT (Note 2)	Subsidiary of the Group
YuanHong (ShanDong) Technical Matericals Ltd. ("YHTM") (Note 2)	Subsidiary of the Group
YuanHong Technical Matericals Ltd. ("MHTM") (Note 1)	Subsidiary of the Group

Note 1: The Group obtained entire equity interests of SSKT from Crystalwise, and obtained control of MHTM through SSKT which was merged into the consolidated financial statements from April 23, 2023.

Note 2: CWT was an affiliated company. CWT became a subsidiary on November 1, 2023.

Note 3: Actron was an affiliated company. Actron became a subsidiary on October 2, 2023.

(2) Significant transactions with related parties

A. Sales

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

	For the years ended December 31,	
Associates	$ **228,335**	**278,626**

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

The credit terms for third parties were 0 to 120 days after month-end both in the period ended December 31, 2023 and 2022, while those of related parties were 30 to 90 days after month-end both in the period ended December 31, 2023 and 2022.

B. Purchase and process outsourcing

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

	For the years ended December 31, 2023	For the years ended December 31, 2022
Associates	$ 1,227	1,528

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

The payment terms to third parties were 0 to 150 days after month-end both in the years ended December 31, 2023 and 2022, while those of related parties were 30 to 90 days after the following month-end both in the years ended December 31, 2023 and 2022.

C. Receivables from related parties

The receivables from related parties were as follows:

Items	Categories	December 31, 2023	December 31, 2022
Receivables from related parties	Associate	$ -	77,916

D. Payables to related parties

The payables to related parties were as follows:

Items	Categories	December 31, 2023	December 31, 2022
Payable to related parties	Associate	$ -	73

E. Transactions of property, plant and equipment

(a) Disposition of property, plant and equipment

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

	For the years ended December 31,			
	2023		2022	
	Disposal price	Receivable from related parties	Disposal price	Receivable from related parties
Associate	$ 213	-	-	-
Other related parties	2,364	-	-	-
	$ 2,577	-	-	-

For the year of 2023, the disposal of fixed assets resulted in a gain on disposal of $800 thousand.

(b) Acquisition of property, plant and equipment

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

	For the years ended December 31,			
	2023		2022	
	Amount	Payable to related parties	Amount	Payable to related parties
Associates	$ 350	-	15,986	-

(c) On May 1, 2023, the Group acquired 100% of the shares and voting interests in SSKT at the price of $443,300 thousand, which was fully paid.

F. Corporate bonds

For the year ended December 31, 2023 and 2022, interest income amounted to $2,730 thousand and $6,600 thousand, respectively. As of December 31, 2023 and 2022, the accumulated investment cost and interest receivable amounted to $0 thousand and $331,609 thousand, respectively and were recorded in financial assets measured at amortized cost-current.

G. Lease

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

	For the years ended December 31, 2023	For the years ended December 31, 2022
Associates	$ 23,086	39,104

The Group leased its plant to associates. As of December 31, 2023 and 2022, the Group had lease receivables of $0 thousand and $3,133 thousand, respectively.

H. Payment and advances from other transactions

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

	December 31, 2023	December 31, 2022
Associates	$ -	1,994
Associates	-	(1,122)
	$ -	872

(b) As of December 31, 2023 and 2022, the related parties entered into offshore wind power purchase contracts for the implementation of the sustainable Green Energy Performance Plan and deposited a guaranteed amounted to $0 thousand and $10,000 thousand, which was recorded under other liabilities－non-current.

(3) Key management personnel compensation

Key management personnel compensation comprised of:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Short-term employee benefits	734,825	546,270
Post-employment benefits	2,048	1,924
Share-based payments	19,168	-
	$ 756,041	548,194

8. Pledged assets:

The carrying values of pledged assets were as follows:

Asset name	Pledge or Mortgage underlying subject	December 31, 2023	December 31, 2022
Property, plant and equipment	Long-term and short-term borrowings and credit lines	$ 3,391,086	3,501,797
Time deposits (recognized in other financial assets－current)	Performance bond	9,322	10,629
Time deposits (recognized in other financial assets－non-current)	Guarantee for the lease contract with the Hsinchu Science Park Bureau	51,841	51,836
Time deposits (recognized in other financial assets－non-current)	Guarantee for gas consumption from CPC Corporation	2,000	2,000
Time deposits (recognized in other financial assets－non-current)	Guarantee payment for import VAT	16,280	14,000
Time deposits (recognized in other financial assets－non-current)	Guarantee for bank financing projects	-	107,836
Time deposits/deposit guarantee (recognized in other financial assets－non-current)	Court litigation	11,181	19,638
Time deposits (recognized in other financial assets－non-current)	Court litigation	18,362	4,952
Time deposits (recognized in other financial assets－non-current)	Bureau of energy subsidy plan	-	8,000
Time deposits (recognized in other financial assets non-current)	Guarantee for bank financing projects	10,746,750	-
Time deposits (recognized in other financial assets－non current)	Pledged Certificates of Deposit	30,662	-
		$ 14,277,484	**3,720,688**

9. Commitments and contingencies:

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

(1) Significant unrecognized contractual commitments

A. As of December 31, 2023 and 2022, the Group had not yet purchased goods amounting to $29,690,722 thousand and $33,461,162 thousand, respectively, based on the current valid contracts.

B. In response to the long-term purchase contract referred above, the Company has silicon wafer long-term sales contracts signed with the customers since the year 2005. These companies agree to pay the non-refundable funds to the Company. The two parties agreed to have silicon wafers sold in accordance with the agreed quantity and price. If the delivery has not been made in compliance with the contract signed, a sales discount or an amount equivalent to 1.5-4 times of the advance sales receipts from customers as remuneration should be granted. If the delay of shipment has not been resolved for more than three months, the outstanding pre-payment should be refunded. In addition, in response to the price decline arising from the falling demand, solar energy battery customers and the Company will negotiate the selling price and adjusting the average selling price in accordance with market conditions.

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

(Unit: currency in thousands)

	December 31, 2023	December 31, 2022
USD	$ 19,165	21,865
EUR	$ 13,889	13,066

C. As of December 31, 2023 and 2022, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to $55,764,343 and $27,954,076 thousand, respectively.

D. As of December 31, 2023 and 2022, the total amount of promissory notes deposited by the Group at the bank for acquiring bank financing were $81,057,352 and $52,334,293 thousand, respectively.

E. As of December 31, 2023 and 2022, a guarantee letter for the Customs Administration and Research and Development which the Group requested a bank to issue amounted to $125,200 and $140,599 thousand, respectively.

F. As of December 31, 2023 and 2022, the Group’s outstanding standby letters of credit that were issued amounted to $257,707 and $157,689 thousand, respectively.

G. The Group had a long-term sales contract with some customers and received the advance payment. The customer is required to order minimum quantity according to the contract. As of December 31, 2023 and 2022, a guarantee letter for the customer which the Group requested a bank to issue amounted to $4,452,951 and $4,685,036 thousand, respectively.

H. GlobalWafers Co., Ltd.’s board resolved to acquire Siltronic AG outstanding shares at EUR125 per share on December 9, 2020. GlobalWafers Co., Ltd. and Siltronic AG signed a business combination agreement on December 10, 2020, wherein the Group issued a EUR50 million letter of payment guarantee through the bank.

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

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

I. The Group entered into an offshore wind power contract with a customer under the sustainable Green Energy Performance plan in 2022 and received a guarantee deposit of $131,200 and $111,800. As of December 31, 2023 and 2022, the above-mentioned guarantee deposit were recorded as other liabilities－non-current.

10. Losses due to major disasters: None.

11. Subsequent Events:

(1) GlobalWafers GmbH, a subsidiary of the Group, priced EUR345,200 thousand (NT$ 11,729,896 thousand) Exchangeable Units exchangeable for Siltronic AG shares held by GlobalWafers GmbH on January 16, 2024. The Exchangeable Units was issued at 100% of the principal amounts of the Bonds. The Bonds was issued with a coupon rate of 1.50% per annum and will be redeemed at 100% of their principal amount on January 23, 2029, unless previously purchased and cancelled or redeemed.

(2) In order to replenish the funding required for the purchase of materials in the original currency, a resolution was approved by the Board of Directors on February 27, 2024 to issue 36,000 to 45,000 thousand ordinary shares for cash capital increase through participation in the issuance of overseas depositary receipts.

12. Other:

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

By function / By item	For the years ended December 31,					
	2023			2022		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	9,788,386	3,537,774	13,326,160	9,325,201	3,035,695	12,360,896
Labor and health insurance	1,230,596	294,496	1,525,092	1,107,476	252,904	1,360,380
Pension	617,410	183,595	801,005	573,504	109,693	683,197
Others employee benefits expenses	283,350	96,496	379,846	263,075	79,810	342,885
Depreciation	7,921,807	424,227	8,346,034	6,625,804	272,462	6,898,266
Amortization	331,574	21,152	352,726	380,481	11,413	391,894

13. Other disclosures:

(1) Information on significant transactions:

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

A. Loans to other parties: Please refer to Table 1.

B. Guarantees and endorsements for other parties: Please refer to Table 2.

C. Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.

D. Individual securities acquired or disposed of with accumulated amounts exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 4.

E. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 5.

F. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

G. Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 6.

H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 7.

I. Trading in derivative instruments: Please refer to note 6(2).

J. Business relationships and significant intercompany transactions: Please refer to Table 8.

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

(3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products and other information: Please refer to Table 10(1).

B. Limitation on investment in Mainland China: Please refer to Table 10(2).

C. Significant transactions:

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

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

14. Segment information:

(1) Operating segments

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

	2023				
	Semiconductor segment	**Solar energy Segment**	**Automotive components Segment**	**Reconciliation and elimination**	**Total**
Revenues:					
External customers	$ 73,583,164	6,757,658	1,625,130	-	81,965,952
Intersegment	236,690	1,564,996	-	(1,801,686)	-
Total revenue	**$ 73,819,854**	**8,322,654**	**1,625,130**	**(1,801,686)**	**81,965,952**
Finance costs	**$ 661,922**	**109,352**	**21,609**	**-**	**792,883**
Depreciation and amortization	**$ 7,250,952**	**1,314,603**	**133,205**	**-**	**8,698,760**
Reportable segment profit or loss	**$ 16,830,864**	**751,195**	**(19,602)**	**-**	17,562,457
Share of profit (loss) of associates accounted for using equity method					216,455
					$ 17,778,912
Reportable segment assets	**$ 198,303,019**	**8,696,816**	**17,192,498**	**(191,939)**	224,000,394
Investments accounted for using equity method					1,494,831
					$ 225,495,225
Reportable segment liabilities	**$ 123,321,413**	**15,063,873**	**5,307,703**	**(191,939)**	**143,501,050**

	2022				
	Semiconductor segment	**Solar energy Segment**	**Automotive components Segment**	**Reconciliation and elimination**	**Total**
Revenues:					
External customers	$ 71,617,314	10,254,182	-	-	81,871,496
Intersegment	103,517	1,725,101	-	(1,828,618)	-
Total revenue	**$ 71,720,831**	**11,979,283**	**-**	**(1,828,618)**	**81,871,496**
Finance costs	**$ 482,195**	**51,797**	**-**	**-**	**533,992**
Depreciation and amortization	**$ 6,650,662**	**639,498**	**-**	**-**	**7,290,160**
Reportable segment profit or loss	**$ 15,085,670**	**919,896**	**-**	**-**	16,005,566
Share of profit (loss) of associates accounted for using equity method					154,931
					$ 16,160,497
Reportable segment assets	**$ 181,374,186**	**13,196,126**	**-**	**(468,671)**	194,101,641
Investments accounted for using equity method					2,507,749
					$ 196,609,390
Reportable segment liabilities	**$ 115,657,689**	**13,288,828**	**-**	**(468,671)**	**128,477,846**

(2) Geographical information

Information on the Consolidated Company's geographical location is as follows: Revenues are categorized based on the geographic location of the customer, and non-current assets (which composition excludes financial instruments, investments accounted for under the equity method, and deferred income tax assets) are categorized based on the geographic location of the asset.

A. For revenue from external customers, please refer to Note 6(23) of the Revenue Information on Customer Contracts.

B. Non-current assets:

Geographical information	December 31, 2023	December 31, 2022
Taiwan	$ 28,525,232	23,081,178
Korea	12,461,354	13,165,578
Japan	17,416,861	9,529,022
United States	26,618,072	6,746,536
Italy	7,105,079	3,084,719
Philippines	130,668	1,811,119
Other countries	4,152,911	3,115,370
	$ 96,410,177	**60,533,522**

(3) Major customers information

Information on significant customers of the Group that accounted for 10% or more of net operating revenues is summarized follows:

	For the years ended December 31,	
	2023	**2022**
Group C	**$ 11,205,438**	**14,781,881**

Sino-American Silicon Products Inc. and Subsidiaries

Loans to other parties

For the period ended December 31, 2023

Table 1 (In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral Item	Collateral Value	Individual funding loan limits (Note 2, 3)	Maximum limit of fund financing (Note 2, 3)
0	Sino-American Silicon Products Inc.	Sulu	Receivable from related parties	Yes	1,783,375	1,688,755	61,410	5%	2	-	Operating capital	-	-	-	12,696,936	12,696,936
0	Sino-American Silicon Products Inc.	Sunrise PV Three	Receivable from related parties	Yes	100,000	100,000	31,500	2.5%	2	-	Operating capital	-	-	-	12,696,936	12,696,936
0	Sino-American Silicon Products Inc.	SSH	Receivable from related parties	Yes	1,000,000	1,000,000	563,000	1.5%	2	-	Operating capital	-	-	-	12,696,936	12,696,936
0	Sino-American Silicon Products Inc.	Aleo Solar GmbH	Receivable from related parties	Yes	173,550	169,900	-	4.5%	2	-	Operating capital	-	-	-	12,696,936	12,696,936
0	Sino-American Silicon Products Inc.	Sunrise PV Four	Receivable from related parties	Yes	500,000	500,000	360,000	1.8%	2	-	Operating capital	-		-	12,696,936	12,696,936
0	Sino-American Silicon Products Inc.	Sunrise PV Five	Receivable from related parties	Yes	200,000	200,000	15,000	1.8%	2	-	Operating capital	-		-	12,696,936	12,696,936
0	Sino-American Silicon Products Inc.	Crystalwise technology	Receivable from related parties	Yes	300,000	300,000	200,000	1.8%	2	-	Operating capital	-		-	12,696,936	12,696,936
1	SSTI	Sulu	Receivable from related parties	Yes	464,002	439,389	439,389	0%	2	-	Operating capital	-	-	-	2,318,782	2,318,782
1	SSTI	AMLED	Receivable from related parties	Yes	370,099	350,467	350,467	0%	2	-	Operating capital	-	-	-	2,318,782	2,318,782
2	SAS Sunrise Inc	Sulu	Receivable from related parties	Yes	345,326	327,008	327,008	0%	2	-	Operating capital	-	-	-	523,179	523,179

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2, 3)	Maximum limit of fund financing (Note 2, 3)
													Item	Value		
3	Global Wafers	Sunrise PV Five	Receivable from related parties	Yes	100,000	100,000	-	1.5%	2	-	Operating capital	-	-	-	26,579,826	26,579,826
3	Global Wafers	Sunrise PV Four	Receivable from related parties	Yes	400,000	400,000	-	1.5%~ 1.6%	2	-	Operating capital	-	-	-	26,579,826	26,579,826
3	Global Wafers	Crystalwise technology	Receivable from related parties	Yes	350,000	350,000	-	1.8%	2	-	Operating capital	-		-	26,579,826	26,579,826
4	GWJ	MEMC Japan	Receivable from related parties	Yes	15,508,080	15,508,080	11,120,640	0.56545%	2	-	Operating capital	-	-	-	17,968,378	17,968,378
5	MEMC SpA	GWS	Receivable from related parties	Yes	2,707,380	2,650,440	1,353,177	7.475%	2	-	Operating capital	-	-	-	11,363,198	11,363,198
5	MEMC SpA	GWBV	Receivable from related parties	Yes	1,791,350	-	-	-	2	-	Operating capital	-	-	-	11,363,198	11,363,198
6	GWS	GWBV	Receivable from related parties	Yes	1,250,200	1,228,200	1,039,241	6.04%	2	-	Operating capital	-	-	-	33,068,741	33,068,741
6	GWS	GW GmbH	Receivable from related parties	Yes	4,338,750	4,247,500	4,247,500	2.7%	2	-	Operating capital	-	-	-	33,068,741	33,068,741
6	GWS	GlobalWafers	Receivable from related parties	Yes	9,727,500	9,211,500	7,676,250	5.81%~ 6.08%	2	-	Operating capital	-	-	-	33,068,741	33,068,741
7	GTI	MEMC LLC	Receivable from related parties	Yes	5,836,500	5,526,900	-	6.166%	2	-	Operating capital	-	-	-	13,353,433	13,353,433
7	GTI	GlobalWafers	Receivable from related parties	Yes	1,501,750	-	-	-	2	-	Operating capital	-	-	-	13,353,433	13,353,433
8	GWBV	GW GmbH	Receivable from related parties	Yes	3,745,550	2,038,000	1,699,000	2.7%	2	-	Operating capital	-	-	-	51,221,228	51,221,228
9	SSKT	MHTM	Receivable from related parties	Yes	8,028	-	-	-	1	55,729	Bussiness transaction	-	-	-	55,729	152,070
9	SSKT	MHTM	Receivable from related parties	Yes	61,908	60,578	60,578	4.35%	2	-	Operating capital	-	-	-	152,070	152,070
10	SST	SSKT	Receivable from related parties	Yes	103,917	101,685	69,232	4.35%	2	-	Operating capital	-	-	-	2,946,199	2,946,199

Note 1: The nature of financing purposes:

(1) Represents entities with business transaction with the Company.

(2) Represents where an inter-company or inter firm short-term financing facility is necessary.

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

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

Note 3: (1) For the Company's loan of funds to those having business transactions, the total loan is limited to 40% of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 40% of the net worth of the company that lends loan; the fund lendings between the foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company, or from the foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company to the Company are not subject to the previous provision of net worth and not subject to the one year limit of the term of funds in Article 4, Paragraph 1, but should still specify in its internal operating procedures for fund-lending limit and period.

(2) For GlobalWafers and its subsidiaries lend funds to companies with business contacts, the total amount of the loan shall not exceed 40% of the net worth of the company that lent the funds; for fund loans to companies that need short-term financing, the total amount of the loan shall not exceed 40% of the company's net worth; for GlobalWafers directly and indirectly holds 100% of the voting shares in domestic companies engaged in inter-company capital lending, or GlobalWafers directly and indirectly holds 100% of the voting rights in domestic companies, the company's capital lending to GlobalWafers shall not exceed 40% of the company's net worth; for foreign companies that directly and indirectly hold 100% of the voting rights to engage in capital loans to GlobalWafers are not subject to the restrictions on net worth in the preceding paragraph and are not subject to the one-year limitation of the capital loan period in Paragraph 1 of Article 4, but they should still be The internal operating procedures set the limits and deadlines for capital loans.

(3) For loan of funds of SSTI and SAS Sunrise Inc. to those having business transactions, the total loan is limited to 2 times of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 2 times of the net worth of the company that lends loan; for loan of funds among foreign companies that the company that lends loan directly and indirectly holds 100% of the voting shares, the total loan is limited to 40% of the net worth of the company that lends loan.

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

Sino-American Silicon Products Inc. and Subsidiaries

Guarantees and endorsements for other parties

For the period ended December 31, 2023

Table 2 (In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company (Note 2)	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period (Note 3, 7)	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary (Note 3, 7)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	Sino American Silicon Products Inc.	Sulu	2	1,545,758 (Note 6)	1,491,550 (Note 5)	1,412,430 (Note 5)	749,663 (Note 5)	-	4.45 %	1,545,758 (Note 6)	Y (Note 4)	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Four	2	31,742,339	170	170	170	-	-	31,742,339	Y	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Three	2	31,742,339	421	421	421	-	-	31,742,339	Y	N	N
0	Sino American Silicon Products Inc.	SSH	2	31,742,339	2,300,000	2,300,000	-	-	7.25 %	31,742,339	Y	N	N
0	Sino American Silicon Products Inc.	SES	2	31,742,339	128,076	128,076	121,080	-	0.40 %	31,742,339	Y	N	N
1	GlobalWafers	GW GmbH	2	199,348,695	8,677,500	8,495,000	7,853,797	-	12.78 %	199,348,695	N	N	N
1	GlobalWafers	GWH	2	199,348,695	1,300,000	1,100,000	-	-	1.66 %	199,348,695	N	N	N
1	GlobalWafers	Sunrise PV Four	2	199,348,695	100,000	100,000	33,600	-	0.15 %	199,348,695	N	N	N
1	GlobalWafers	Sunrise PV Five	2	199,348,695	79,800	79,800	79,800	-	0.12 %	199,348,695	N	N	N
1	GlobalWafers	GWS	2	199,348,695	5,498,818	5,261,806	5,169,691	-	7.92 %	199,348,695	N	N	N
1	GlobalWafers	MEMC SpA	2	199,348,695	3,054,480	2,990,240	2,990,240	-	4.5 %	199,348,695	N	N	N
1	GlobalWafers	GWA	2	199,348,695	1,162,194	1,162,194	-	-	1.75 %	199,348,695	N	N	N

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period (Note 3, 7)	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary (Note 3, 7)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
2	GTI	MEMC LLC	2	66,767,165	3,242,500	3,070,500	560,366	-	22.99 %	66,767,165	N	N	N
3	SST	KST	2	14,730,995	1,415,380	1,377,807	1,377,807	-	46.77 %	14,730,995	N	N	Y
4	GWS	GWA	2	165,343,705	15,627,500	15,352,500	7,763,415	-	46.43 %	165,343,705	N	N	N

Note 1: The characters of guarantees and endorsements are coded as follows:
(1) The issuer is coded "0".
(2) The investee is coded consecutively beginning from "1" in the order presented in the table above.

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

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

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

Note 5: Sulu shares with the company a quota of USD 10,000 thousand and Sulu’s individual quota is USD 36,000 thousand. The Company resolved on October 14, 2016 by the Board of Directors to repay part of the loan, and reduce the endorsements/guarantees quota to USD 46,000 thousand. The actual disbursement amount was reduced to USD 24,415 thousand.

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

Sino-American Silicon Products Inc. and Subsidiaries

Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures)

December 31, 2023

Table 3 (In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance Shares/Units (thousand)	Ending balance Carrying value	Ending balance Percentage of ownership (%)	Ending balance Fair value	Highest Percentage of ownership (%) during the year	Note
Sino American Silicon Products Inc.	Stock of Powertec Energy Corporation	None	Financial assets at fair value through other omprehensive income	30,410	-	2.14 %	-	2.14 %	
Sino American Silicon Products Inc.	Stock of Giga Epitaxy Technology Corp	None	Financial assets at fair value through other comprehensive income	531	-	1.61 %	-	1.61 %	
Sino American Silicon Products Inc.	Stock of Big Sun	None	Financial assets at fair value through other comprehensive income	15,000	-	3.43 %	-	3.72 %	
Sino American Silicon Products Inc.	Stock of Billion Watts Co., Ltd.	None	Financial assets at fair value through other comprehensive income	3	80	0.02 %	80	0.02 %	
Sino American Silicon Products Inc.	Stock of Billion Electric Co., Ltd.	None	Financial assets at fair value through other comprehensive income	15,000	641,250	13.00 %	641,250	13.00 %	
SSTI	Stock of SILFAB SPA	None	Financial assets at fair value through profit or loss－non-current	300	369,736	15.00 %	369,736	15.00 %	
SSTI	Stock of Clean Venture 21 Corporation	None	Financial assets at fair value through other comprehensive income	10	-	7.20 %	-	7.20 %	
SSH	NextDrive Holdings. Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,021	105,768	5.40 %	105,768	5.54 %	
SSH	Transphorm Inc.	None	Financial assets at fair value through other comprehensive income	4,750	532,348	7.52 %	532,348	7.52 %	
SSH	SKY TECH Inc.	None	Financial assets at fair value through other comprehensive income	118	27,789	0.19 %	27,789	0.49 %	
SSH	TAISC Materials Corp.	None	Financial assets at fair value through other comprehensive income	200	20,000	0.40 %	20,000	0.40 %	

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance: Shares/Units (thousand)	Ending balance: Carrying value	Ending balance: Percentage of ownership (%)	Ending balance: Fair value	Highest Percentage of ownership (%) during the year	Note
SSH	Ancora Semiconductors Inc.	None	Financial assets at fair value through other comprehensive income	3,400	76,772	6.16 %	76,772	6.16 %	
SSH	ANJET Corporation	None	Financial assets at fair value through other comprehensive income	600	38,136	4.33 %	38,136	4.33 %	
GlobalWafers	CDIB Capital Growth Partners L.P.	None	Financial assets at fair value through profit or loss－non-current	-	180,368	3.85 %	180,368	3.85 %	
GlobalWafers	Siltronic AG	None	Financial assets at fair value through profit or loss－non-current	650	1,953,595	2.17 %	1,953,595	2.17 %	
GW GmbH	Siltronic AG	None	Financial assets at fair value through profit or loss－non-current	3,101	9,319,118	10.34 %	9,319,118	10.34 %	
GWBV	Siltronic AG	None	Financial assets at fair value through profit or loss－non-current	350	1,051,921	1.17 %	1,051,921	1.17 %	
GlobalWafers	WT Microelectronics Co., Ltd. Corporation	None	Financial assets at fair value through other comprehensive income	1,944	218,700	0.19 %	218,700	0.25 %	
SST	Foreign securities	None	Financial assets at fair value through other comprehensive income	16	4,571	0.04 %	4,571	0.04 %	
GWH	Foreign Privately Securities	None	Financial assets at fair value through profit or loss－non-current	-	62,497	1.93 %	62,496	1.93 %	
Actron	Sino-American Silicon Products Inc.	None	Financial assets at fair value through other comprehensive income -non-current	2,000	392,000	0.34 %	392,000	0.34 %	Note
Actron	Phoenix Pioneer Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income -non-current	15,265	268,055	5.13 %	268,055	5.13 %	
Actron	ANJET Corporation	None	Financial assets at fair value through other comprehensive income -non-current	3,108	187,934	22.41 %	187,934	22.41 %	
Actron	AMED VENTURES I, L.P.	None	Financial assets at fair value through other comprehensive income -non-current	-	96,718	- %	96,718	- %	
Actron	Super Energy Materials Inc.	None	Financial assets at fair value through other comprehensive income -non-current	1,425	22,387	5.28 %	22,387	5.28 %	
Mosel	ProMOS Technologies Inc.	None	Financial assets at fair value through other comprehensive income -non-current	603	11,244	1.34 %	11,244	1.34 %	
Mosel	Aplus Flash Technology,Inc.	None	Financial assets at fair value through other comprehensive income -non-current	1,492	-	5.28 %	-	5.28 %	

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Highest Percentage of ownership (%) during the year	Note
				Shares/Units (thousand)	Carrying value	Percentage of ownership (%)	Fair value		
Mosel	Pacific Resources Corporation	None	Financial assets at fair value through other comprehensive income -non-current	37	3,875	4.88 %	3,875	4.88 %	
Mosel	Soft Device Inc.	None	Financial assets at fair value through other comprehensive income -non-current	7,518	-	- %	-	- %	
Mosel	Pegasus Wireless Corp.	None	Financial assets at fair value through other comprehensive income -non-current	1,815	-	- %	-	- %	
Mosel	NewMedia Networking Crop.	None	Financial assets at fair value through other comprehensive income -non-current	1,600	-	- %	-	- %	
Mosel	Aumos Technologies Inc.	None	Financial assets at fair value through other comprehensive income -non-current	1,365	-	16.24 %	-	16.24 %	
Mou Fu Investment	ProMOS Technologies Inc.	None	Financial assets at fair value through other comprehensive income -non-current	32	604	0.07 %	604	0.07 %	
Mou Fu Investment	Advanced Flash Memory Card Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income -non-current	340	-	0.41 %	-	0.41 %	
Mou Fu Investment	E-Soft Technologies, Inc.	None	Financial assets at fair value through other comprehensive income -non-current	201	1,183	2.37 %	1,183	2.37 %	
Mou Fu Investment	Harbinger III Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income -non-current	-	6	0.56 %	6	0.56 %	
Mou Fu Investment	Virtual Silicon Technology,Inc.	None	Financial assets at fair value through other comprehensive income -non-current	224	-	- %	-	- %	
Mou Fu Investment	Wavesat Inc.	None	Financial assets at fair value through other comprehensive income -non-current	44	-	- %	-	- %	
Hongwang	Sino-American Silicon Products Inc.	Parent company	Financial assets at fair value through other comprehensive income -non-current	25,050	4,909,800	4.27 %	4,909,800	4.27 %	Note

Note: The balance had been eliminated on December 31, 2023.

Sino-American Silicon Products Inc. and Subsidiaries

Individual securities acquired or disposed of with accumulated amounts exceeding the lower of than NT$300 million or 20% of the capital stock

For the period ended December 31, 2023

Table 4 (In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount (Note)	Shares	Amount (Note)	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
Sino American Silicon Products Inc.	Billion Electric Co,. Ltd	Financial assets at fair value through other comprehensive income	-	None	-	-	15,000	529,800	-	-	-	-	15,000	641,250
Sino American Silicon Products Inc.	Actron	Investments accounted for using equity method	-	None	20,807	1,511,495	4,128	639,832	-	-	-	-	24,935	2,040,752
Actron	Privately placed ordinary shares - Excelliance MOS Corporation	Investments accounted for using equity method	Participation in private placement	None	-	-	15,000	1,491,750	-	-	-	-	15,000	1,491,750

Note: Including gain or loss on evaluation.

Sino-American Silicon Products Inc. and Subsidiaries

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

For the period ended December 31, 2023

Table 5 (In Thousands of New Taiwan Dollars)

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

Sino-American Silicon Products Inc. and Subsidiaries

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

For the period ended December 31, 2023

Table 6 (In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Aleo Solar	Aleo Solar Italia	Indirectly held subsidiaries	Sale	(186,457)	(11) %	Net 60 days from the end of the month upon issuance of invoice	-	-	4,348	3%	Note 1
Sino American Silicon Products Inc.	Sunrise PV Four	Indirectly held subsidiaries	Sale	(448,756)	(7) %	Net 30 days from the end of the month upon issuance of invoice	-	-	67,925	4%	Note 1
GlobalWafers	Sino American Silicon Products Inc.	Directly held subsidiaries	Purchase	1,496,021	11 %	Net 30 days from the end of the next month upon issuance of invoice	-	-	(64,599)	(1)%	Note 1 and 2
GlobalWafers	GTI	Indirectly held subsidiaries	Purchase	1,607,538	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(196,784)	(2)%	Note 1
GlobalWafers	SST	Indirectly held subsidiaries	Purchase	1,580,186	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(210,360)	(2)%	Note 1
GlobalWafers	GWJ	Indirectly held subsidiaries	Purchase	7,917,996	11 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(2,114,326)	(21)%	Note 1
GlobalWafers	GWS	Indirectly held subsidiaries	Purchase	531,625	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(54,124)	(1)%	Note 1
GlobalWafers	Topsil A/S	Indirectly held subsidiaries	Purchase	1,662,216	2 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(70,914)	(1)%	Note 1
GlobalWafers	KST	Indirectly held subsidiaries	Purchase	281,853	- %	Net 45 days from the end of the month upon issuance of invoice	-	-	(33,972)	-%	Note 1
GWS	GlobalWafers	Indirectly held subsidiaries	Purchase	7,540,461	11 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(1,205,159)	(12)%	Note 1
MEMC Korea	GlobalWafers	Indirectly held subsidiaries	Purchase	1,957,166	3 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(797,032)	(8)%	Note 1
MEMC SpA	GlobalWafers	Indirectly held subsidiaries	Purchase	869,555	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(111,935)	(1)%	Note 1
GTI	GlobalWafers	Indirectly held subsidiaries	Purchase	3,160,454	4 %	Net 45 days from the end of the month upon issuance of invoice	-	-	(707,780)	(7)%	Note 1
SST	GlobalWafers	Indirectly held subsidiaries	Purchase	927,747	1 %	Net 30 days from the end of the month upon issuance of invoice	-	-	(72,499)	(1)%	Note 1

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
GWJ	GlobalWafers	Indirectly held subsidiaries	Purchase	2,752,272	4 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(837,048)	(8)%	Note 1
Topsil A/S	GlobalWafers	Indirectly held subsidiaries	Purchase	629,925	1 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(245,542)	(2)%	Note 1
Actron	GlobalWafers	Subsidiary of associates	Purchase	276,758	- %	Net 60 days from the end of the next month upon issuance of invoice	-	-	(69,934)	(1)	Note 1
MEMC Sdn Bhd	GlobalWafers	Indirectly held subsidiaries	Purchase	161,837	- %	Net 60 days from the end of the month upon issuance of invoice	-	-	(22,537)	-%	Note 1
GWS	MEMC LLC	Indirectly held subsidiaries	Purchase	2,530,359	4 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(460,299)	(5)%	Note 1
GWS	MEMC LLC	Indirectly held subsidiaries	Sale	(849,197)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	119,100	1%	Note 1
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Purchase	1,616,779	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(242,787)	(2)%	Note 1
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Sale	(542,632)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	94,999	1%	Note 1
GWS	MEMC SpA	Indirectly held subsidiaries	Purchase	4,111,645	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(579,527)	(6)%	Note 1
GWS	MEMC SpA	Indirectly held subsidiaries	Sale	(8,342,271)	(12) %	Net 60 days from the end of the month upon issuance of invoice	-	-	1,620,892	16%	Note 1
GWS	MEMC Korea	Indirectly held subsidiaries	Purchase	1,885,784	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(210,030)	(2)%	Note 1
GWS	MEMC Japan	Indirectly held subsidiaries	Purchase	4,097,928	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(779,555)	(8)%	Note 1
GWS	MEMC Japan	Indirectly held subsidiaries	Sale	(1,296,170)	(2) %	Net 60 days from the end of the month upon issuance of invoice	-	-	219,590	2%	Note 1
Actron	Mosel	Indirectly held subsidiaries	Purchase	468,324	17 %	Net 30 days from the end of the month upon issuance of invoice	Note 3	Net 90 days from the end of the month upon issuance of invoice for domestic	(86,957)	11%	Note 1 and 4
Actron	DING-WEI Technology	Indirectly held subsidiaries	Purchase	681,230	25 %	Net 90 days from the end of the month upon issuance of invoice	Cost-plus pricing	Net 90 days from the end of the month upon issuance of invoice for domestic	(198,650)	25%	Note 1

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
DING-WEI Technology	Actron	Indirectly held subsidiaries	Sale	(681,230)	100 %	Net 90 days from the end of the month upon issuance of invoice	Cost-plus pricing	Net 90 days from the end of the month upon issuance of invoice for domestic	198,650	100%	Note 1
Mosel	Actron	Indirectly held subsidiaries	Sale	(468,324)	32 %	Net 30 days from the end of the month upon issuance of invoice	Note 3	Net 90 days from the end of the month upon issuance of invoice for domestic	86,875	41%	Note 1 and 4

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.
Note 2: GlobalWafers prepaid to Sino American Silicon Products Inc. according to the contract, amounting to $59,709 thousand.
Note 3: The purchase price of flat wafers was not significantly different from that of other of other suppliers.
Note 4: Purchases from and sales to Mosel before the combination were not eliminated since Mosel was not an entity included in the consolidated financial statements.

Sino-American Silicon Products Inc. and Subsidiaries

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

December 31, 2023

Table 7 (In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 3)	Allowance for bad debts
					Amount	Action taken		
Sino American Silicon Products Inc.	SSH	Directly held subsidiaries	567,807	Note 1	-	-	-	-
Sino American Silicon Products Inc.	Crystalwise Technology	Indirectly held subsidiaries	200,039	Note 1	-	-	-	-
Sino American Silicon Products Inc.	Sunrise PV Four	Directly held subsidiaries	360,071	Note 1	-	-	-	-
SSTI	AMLED	Indirectly held subsidiaries	350,467	Note 1	-	-	-	-
SSTI	Sulu	Indirectly held subsidiaries	439,389	Note 1	-	-	-	-
SAS Sunrise Inc	Sulu	Indirectly held subsidiaries	327,008	Note 1	-	-	-	-
GlobalWafers	GTI	Indirectly held subsidiaries	707,780	6.09	-	-	261,564	-
GlobalWafers	GWJ	Indirectly held subsidiaries	837,048	3.09	-	-	212,774	-
GlobalWafers	GWS	Indirectly held subsidiaries	1,205,159	5.79	-	-	612,149	-
GlobalWafers	MEMC Korea	Indirectly held subsidiaries	797,032	3.48	-	-	259,456	-
GlobalWafers	MEMC SpA	Indirectly held subsidiaries	111,935	6.06	-	-	56,402	-
GlobalWafers	Topsil A/S	Indirectly held subsidiaries	245,542	3.44	-	-	2,053	-
GTI	GlobalWafers	Indirectly held subsidiaries	196,784	7.66	-	-	106,888	-
SST	GlobalWafers	Indirectly held subsidiaries	210,360	8.87	-	-	107,089	-
GWJ	GlobalWafers	Indirectly held subsidiaries	2,114,326	5.07	-	-	663,626	-
GWS	MEMC Japan	Indirectly held subsidiaries	219,590	6.37	-	-	110,372	-
GWS	MEMC SpA	Indirectly held subsidiaries	1,620,892	7.84	-	-	645,148	-
GWS	MEMC LLC	Indirectly held subsidiaries	119,100	8.66	-	-	60,042	-
MEMC Sdn Bhd	GWS	Indirectly held subsidiaries	242,787	8.20	-	-	242,787	-

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 3)	Allowance for bad debts
					Amount	Action taken		
MEMC SpA	GWS	Indirectly held subsidiaries	579,527	7.97	-	-	326,040	-
MEMC Korea	GWS	Indirectly held subsidiaries	210,030	10.69	-	-	71,300	-
MEMC Japan	GWS	Indirectly held subsidiaries	779,555	7.08	-	-	371,856	-
MEMC LLC	GWS	Indirectly held subsidiaries	460,299	7.67	-	-	169,170	-
GWJ	MEMC Japan	Indirectly held subsidiaries	11,120,719	Note 1	-	-	-	-
MEMC SpA	GWS	Indirectly held subsidiaries	1,353,177	Note 1	-	-	110,775	-
GWS	GWBV	Indirectly held subsidiaries	1,048,872	Note 1	-	-	-	-
GWS	GW GmbH	Indirectly held subsidiaries	4,351,874	Note 1	-	-	-	-
GWBV	GW GmbH	Indirectly held subsidiaries	1,740,875	Note 1	-	-	-	-
SST	SSKT	Indirectly held subsidiaries	70,854	Note 1	-	-	-	-
SSKT	MHTM	Indirectly held subsidiaries	61,520	Note 1	-	-	-	-
DING-WEI Techology	Actron	Indirectly held subsidiaries	198,650	3.58	-		53,811	-

Note 1: Receivables from related party for financing purpose.
Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.
Note 3: The amount received in subsequent period as of January 31, 2024.

Sino-American Silicon Products Inc. and Subsidiaries
Business relationships and significant intercompany transactions
For the period ended December 31, 2023

Table 8 (In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3,4)
0	GlobalWafers	Sino-American Silicon Products Inc.	1	Purchase	1,496,021	Net 30 days from the end of the next month upon issuance of invoice	1.83%
0	GlobalWafers	GTI	1	Purchase	1,607,538	Net 60 days from the end of the month upon issuance of invoice	1.96%
0	GlobalWafers	SST	1	Purchase	1,580,186	Net 60 days from the end of the month upon issuance of invoice	1.93%
0	GlobalWafers	GWJ	1	Purchase	7,917,996	Net 60 to 90 days from the end of the month upon issuance of invoice	9.66%
0	GlobalWafers	Topsil A/S	1	Purchase	1,662,216	Net 30 to 60 days from the end of the month upon issuance of invoice	2.03%
0	GlobalWafers	GTI	1	Sale	3,160,454	Net 45 days from the end of the month upon issuance invoice	3.86%
0	GlobalWafers	SST	1	Sale	927,747	Net 30 days from the end of the month upon issuance of invoice	1.13%
0	GlobalWafers	GWJ	1	Sale	2,752,272	Net 60 to 90 days from the end of the month upon issuance of invoice	3.36%
0	GlobalWafers	MEMC Korea	1	Sale	1,957,166	Net 30 to 60 days from the end of the month upon issuance of invoice	2.39%
0	GlobalWafers	GWS	1	Sale	7,540,461	Net 60 days from the end of the month upon issuance of invoice	9.20%
0	GlobalWafers	MEMC SpA	1	Sale	869,555	Net 60 days from the end of the month upon issuance of invoice	1.06%
1	GWS	MEMC LLC	3	Sale	849,197	Net 60 days from the end of the month upon issuance of invoice	1.04%
1	GWS	MEMC LLC	3	Purchase	2,530,359	Net 60 days from the end of the month upon issuance of invoice	3.09%
1	GWS	MEMC SpA	3	Purchase	4,111,645	Net 60 days from the end of the month upon issuance of invoice	5.02%
1	GWS	MEMC SpA	3	Sale	8,342,271	Net 60 days from the end of the month upon issuance of invoice	10.18%
1	GWS	MEMC Korea	3	Purchase	1,885,784	Net 60 days from the end of the month upon issuance of invoice	2.30%
1	GWS	MEMC Japan	3	Sale	1,296,170	Net 60 days from the end of the month upon issuance of invoice	1.58%
1	GWS	MEMC Japan	3	Purchase	4,097,928	Net 60 days from the end of the month upon issuance of invoice	5.00%
1	GWS	MEMC Sdn Bhd	3	Purchase	1,616,779	Net 60 days from the end of the month upon issuance of invoice	1.97%

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3,4)
1	GWS	GlobalWafers	3	Intercompany loan	7,677,650	-	3.40%
1	GWS	GW GmbH	3	Intercompany loan	4,351,874	-	1.93%
2	GWJ	MEMC Japan	3	Intercompany loan	11,120,719	-	4.93%

Note 1: The characters of business transactions between parent company and its subsidiaries are coded as follows:
1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relationships with transactions are as follows:
(1) Parent company to its subsidiaries.
(2) Subsidiaries to the parent company.
(3) Transactions between subsidiaries.

Note 3: The ratio of the transaction amount of the consolidated total sales revenue and consolidated total assets are calculated as follows:
(1) For transaction amount accounted for as asset or liability, the ratio is calculated based on the closing balance amount of the consolidated total assets.
(2) For transaction amount accounted for as profit or loss, the ratio is calculated based on the accumulated amount at the end of the financial period of the consolidated total sales revenue.

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

Sino-American Silicon Products Inc. and Subsidiaries

Information on investees (Excluding Information on Investees in Mainland China)

For the period ended December 31, 2023

Table 9 (In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousand)	Percentage of Ownership	Carrying value				
Sino American Silicon Products Inc.	SSTI	British Virgin Islands	Investment and triangular trade center with subsidiaries in China	1,425,603 (USD45,255)	1,425,603 (USD45,255)	48,526	100.00 %	1,159,391	100.00 %	1,634	1,634	Subsidiary
Sino American Silicon Products Inc.	GlobalWafers	Taiwan	Semiconductor silicon wafer materials and components manufacturing and trade	8,957,524	8,955,952	223,008	51.14 %	33,650,099	51.17 %	19,772,048	10,116,362	Subsidiary
Sino American Silicon Products Inc.	Aleo Solar	Prenzlau	Solar module manufacturing and sale and wholesale of electronic materials	558,139 (EUR13,500)	558,139 (EUR13,500)	Note 1	100.00 %	293,475	100.00 %	(20,745)	(20,745)	Subsidiary
Sino American Silicon Products Inc.	SAS Sunrise Inc.	Cayman	Investment activities	794,373 (USD24,500)	794,373 (USD24,500)	24,500	100.00 %	112,788	100.00 %	21,282	21,282	Subsidiary
Sino American Silicon Products Inc.	Sunrise PV Three	Taiwan	Electricity activities	15,000	15,000	1,500	100.00 %	16,435	100.00 %	884	884	Subsidiary
Sino American Silicon Products Inc.	SSH	Taiwan	Investment activities	650,000	650,000	65,000	100.00 %	320,966	100.00 %	(12,415)	(12,415)	Subsidiary
Sino American Silicon Products Inc.	SES	Taiwan	Energy technology service business	20,000	20,000	2,000	100.00 %	18,405	100.00 %	(1,455)	(1,455)	Subsidiary
Sino American Silicon Products Inc.	Crystalwise Technology Inc.	Taiwan	Optical wafer and substrate manufacturing and trade	-	1,685,291	-	- %	-	- %	-	-	Subsidiary Note 2 and 6
Sino American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar energy system provider	112,193	112,193	7,452	24.70 %	54,513	24.70 %	(8,963)	(358)	Associate

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousand)	Percentage of Ownership	Carrying value				
Sino American Silicon Products Inc.	TSCS	Taiwan	Semiconductor special gas and chemical material manufacturer	962,957	962,957	41,590	30.09 %	825,164	30.09 %	155,653	33,295	Subsidiary Note 2
Sino American Silicon Products Inc.	Actron	Taiwan	Semiconductor electric wafer materials and components manufacturing and trade	2,395,995	1,756,162	24,935	24.58 %	2,040,752	24.58 %	723,193	161,771	Subsidiary Note 2 and 6
Sino American Silicon Products Inc.	Advanced Wireless	Taiwan	Gallium arsenide wafer manufacturing and trade	4,341,422	4,341,422	54,287	27.62 %	2,516,274	27.62 %	82,726	(57,649)	Subsidiary Note 2
SSH	SES	Taiwan	Energy technology service business	3,825	-	3,825	51.00 %	3,694	51.00 %	(257)	-	Subsidiary Note 4
SAS Sunrise Inc.	Sulu	Philippines	Electricity activities	113,920 (USD4,000)	113,920 (USD4,000)	420,000	40.00 %	73,765	40.00 %	24,942	-	Subsidiary Note 4
SAS Sunrise Inc.	AMLED	Philippines	Investment activities	-	-	-	-	-	- %	-	-	Subsidiary Note 3 and 4
AMLED	Sulu	Philippines	Electricity activities	297,229 (USD9,065)	297,229 (USD9,065)	472,500	45.00 %	80,503	45.00 %	24,942	-	Subsidiary Note 4
Aleo Solar	Aleo SolarDistribuzioneItalia S.r.l	Italy	Solar module sale and wholesale of electronic materials	4,078 (EUR100)	4,078 (EUR100)	Note 1	100.00 %	36,834	100.00 %	4,073	-	Subsidiary Note 4
GlobalWafers	GSI	Cayman	Investment in various businesses and triangular trade centers with subsidiaries in Mainland China	698,419 (USD24,555)	698,419 (USD24,555)	23,000	100.00 %	2,972,343	100.00 %	241,963	-	Subsidiary Note 4
GlobalWafers	GWJ	Japan	Manufacturing and trading of silicon wafers	5,448,015	5,448,015	128	100.00 %	17,966,896	100.00 %	1,524,837	-	Subsidiary Note 4
GlobalWafers	GWafers Singapore	Singapore	Investment activities	2,207,377	17,378,877	41,674	100.00 %	31,515,334	100.00 %	3,523,882	-	Subsidiary Note 4 and 8
GlobalWafers	GW GmbH	Germany	Trading	1,952,235 (EUR62,525)	1,952,235 (EUR62,525)	48,025	100.00 %	(4,928,408)	100.00 %	1,844,958	-	Subsidiary Note 4
GlobalWafers	GWBV	Netherlands	Investment activities	40,367,464 (USD1,321,076)	42,525,442 (USD1,321,076)	0.1	100.00 %	51,221,228	100.00 %	4,224,105	-	Associate Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousand)	Percentage of Ownership	Carrying value				
GlobalWafers	Hongwang	Taiwan	Investment activities	309,760	309,760	30,976	30.98 %	1,392,852	30.98 %	217,542	-	Subsidiary Note 4 and 10
GlobalWafers	Sunrise PV Four	Taiwan	Electricity activities	1,045,000	1,045,000	104,500	100.00 %	1,057,473	100.00 %	10,946	-	Subsidiary Note 4
GlobalWafers	Sunrise PV Five	Taiwan	Electricity activities	278,000	278,000	27,800	100.00 %	274,018	100.00 %	(835)	-	Subsidiary Note 4
GlobalWafers	GWH	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	260,817	100.00 %	13,589	-	Subsidiary Note 4
GlobalWafers	CWT	Taiwan	Manufacturing and trading of optoelectronic wafers and substrate material	437,924	-	43,836	100.00 %	418,362	100.00 %	(18,679)	-	Subsidiary Note 4
GWJ	MEMC Japan	Japan	Manufacturing and trading of silicon wafers	373,413 (JPY100,000)	373,413 (JPY100,000)	750	100.00 %	2,478,179	100.00 %	133,801	-	Subsidiary Note 4
Topsil A/S	Topsil PL	Poland	Manufacturing and trading of silicon wafers	-	-	-	- %	-	100.00 %	-	-	Subsidiary Note 4 and 9
GWafers Singapore	GWS	Singapore	Investment activitie	-	14,671,320 (USD406,898)	-	- %	-	100.00 %	-	-	Subsidiary Note 4 and 8
GWBV	MEMC SpA	Italy	Manufacturing and trading of silicon wafers	6,732,641 (USD204,788)	6,732,641 (USD204,788)	65,000	100.00 %	11,363,198	100.00 %	556,150	-	Subsidiary Note 4
MEMC SpA	MEMC SarL	France	Trading	1,316 (USD40)	1,316 (USD40)	0.5	100.00 %	3,532	100.00 %	707	-	Subsidiary Note 4
GWBV	MEMC Korea	Korea	Manufacturing and trading of silicon wafers	11,851,262 (USD384,605)	11,851,262 (USD384,605)	25,200	100.00 %	23,398,484	100.00 %	2,363,342	-	Subsidiary Note 4
GWBV	GTI	United states	Manufacturing and trading of epitaxial wafers and sale	2,779,849 (USD91,262)	2,779,849 (USD91,262)	1	100.00 %	14,617,310	100.00 %	896,027	-	Subsidiary Note 4
GWBV	MEMC Ipoh	Malaysia	Manufacturing and trading of silicon wafers	93,907 (USD1,323)	93,907 (USD1,323)	612,300	100.00 %	4,595	100.00 %	826	-	Subsidiary Note 4
GWBV	Topsil A/S	Denmark	Manufacturing and trading of silicon wafers	1,843,604 (USD60,996)	1,843,604 (USD60,996)	1,000	100.00 %	2,555,654	100.00 %	165,231	-	Subsidiary Note 4
CWT	Crystalwise (HK)	Hong Kong	Investment activities	- (USD48,100)	-	48,100	100.00 %	79,996	100.00 %	(112)	-	Subsidiary Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousand)	Percentage of Ownership	Carrying value				
GTI	MEMC LLC	United states	Research and development, manufacturing and trading of silicon wafers	543,384 (USD17,839)	543,384 (USD17,839)	-	100.00 %	5,566,922	100.00 %	427,203	-	Subsidiary Note 4
SST	MEMC Sdn Bhd	Malaysia	Manufacturing and trading of silicon wafers and sale	898,016 (USD27,315)	898,016 (USD27,315)	1,036	100.00 %	1,238,546	100.00 %	62,322	-	Subsidiary Note 4
GTI	GWA	United states	Manufacturing and trading of silicon wafers and sale	31 (USD1)	31 (USD1)	1	100.00 %	3,139,238	100.00 %	(118,571)	-	Subsidiary Note 4
Actron	DING-WEI Technology	Taiwan	Manufacture of electronic components and motor parts	306,900	306,900	15,000	100.00 %	257,527	100.00 %	66,350	-	Subsidiary Note 4
Actron	SILC	Samoa	Investment	363,260	363,260	12,000	100.00 %	419,642	100.00 %	3,517	-	Subsidiary Note 4
SILC	SAL	Hong Kong	Investment	363,260	363,260	12,000	100.00 %	419,642	100.00 %	3,517	-	Subsidiary Note 4
Actron	REC Technology	Taiwan	Manufacture of electronic components and motor parts	208,102	208,102	8,488	49.00 %	89,962	49.00 %	32,449	-	Subsidiary Note 4
Actron	Hongwang	Taiwan	Investment	300,000	300,000	30,000	30.00 %	1,348,932	30.00 %	217,459	-	Subsidiary Note 4, 7 and 10
Actron	Mosel	Taiwan	Semiconductors	1,180,191	1,180,191	46,925	29.00 %	1,829,513	29.00 %	(175,410)	-	Subsidiary Note 4
Actron	Bigbest	Taiwan	Manufacture of motor parts	245,143	245,143	19,134	28.00 %	72,197	28.00 %	(26,561)	-	Subsidiary Note 4
Actron	Excelliance MOS Technology	Taiwan	Semiconductors	1,491,750	-	15,000	29.00 %	1,440,318	29.00 %	252,442	-	Associate Note 4
Mosel	DenMOS Technology	Taiwan	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs	291,820	291,820	9,114	80.00 %	102,855	80.00 %	(8,471)	-	Subsidiary Note 4
Mosel	Mou Fu Investment	Taiwan	Leasing, manpower dispatch and various services	2,313,124	2,313,124	12,012	100.00 %	110,947	100.00 %	479	-	Subsidiary Note 4
Mosel	Bou-Der Investment	Taiwan	Professional investment	1,264,372	1,264,372	6,400	47.00 %	35,643	47.00 %	654	-	Subsidiary Note 4
Mosel	GHI Ltd. (BVI)	British Virgin Islands	General investment	664,061	664,061	2	100.00 %	71,406	100.00 %	3,098	-	Subsidiary Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousand)	Percentage of Ownership	Carrying value				
Mosel	Integrated Memory Technologies., Inc	United states	Flash memory design house	44,753	44,753	2,500	23.00 %	-	23.00 %	-	-	Associate Note 4
Mou-Fu Investment	Bou-Der Investment	Taiwan	Professional investment	1,356,365	1,356,365	6,839	50.00 %	38,096	50.00 %	654	-	Subsidiary Note 4
Mou-Fu Investment	DenMOS Technology	Taiwan	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs	25,863	25,863	471	4.00 %	5,475	4.00 %	(8,471)	-	Subsidiary Note 4
GHI Ltd (BVI)	Third Dimension Semiconductor ,Inc.	United states	Power IC design	314,640	314,640	49,183	43.00 %	-	43.00 %	3,602	-	Associate Note 4

Note:1 A limited company.
Note 2: The investment gain or loss recognition includes the investment cost and the amortization of the net equity acquired.
Note 3: The Company does not hold the ownership interests of AMLED, but the Company can control the financial and operating strategies of AMLED and obtain all the benefits of its operations and net assets in accordance with the terms of the agreements with such standalone, so AMLED is considered as a subsidiary.
Note 4: The investor’s profits and losses included the profits and losses of the investees; therefore, the investee’s profits and losses need not be disclosed.
Note 5: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.
Note 6: Crystalwise Technology became an indirectly owned subsidiary after November 1, 2023 and Actron became a subsidiary after September 28, 2023.
Note 7: Among ordinary shares and preferred shares were $468 thousand and $29,532 thousand, respectively.
Note 8: On January 1, 2023, GWafer Singapore mereged with its subsidiary GWS. GWS was dissolved while GWafer Singapore continued to exist and was renamed as Global Wafers Singapore (abbreviated as GWS)
Note 9: The liquidtion of Topsil PL has been completed in June, 2023.
Note 10: Hongwang was included in consolidation financial statements because of the Company owned 60.98% of its shares through Actron and GlobalWafers.

Sino-American Silicon Products Inc. and Subsidiaries

Information on investment in mainland China

For the period ended December 31, 2023

Table 10 (In Thousands of New Taiwan Dollars)

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership during the year	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
SST	Processing and trading of ingots and wafers	1,429,778 (Note 5)	Note 1	713,300 (USD21,729)	-	-	713,300 (USD21,729)	241,943	100.00%	100%	241,943	2,946,199	-
KST	Trading and markcting business	26,587	Note 6	-	-	-	-	46,588	100.00%	100%	46,598	82,079	-
SSKT	Manufacting and distributing lithiun tastalate and lithium niobate wafers	102,776	Note 7	-	-	-	-	(53,330)	100.00%	-%	(53,330)	380,175	-
MHTM	Manufacting and distributing lithiun tastalate and lithium niobate wafers	159,588	Note 8	-	-	-	-	(24,072)	90.00%	-%	(21,665)	36,536	-
YHTM	Manufacting and sales of optoelectranic and communication materials	1,494,720	Note 9	1,494,720 (USD48,000)	-	-	1,494,720 (USD48,000)	94	80.94%	-%	76	79,851	-
YHTM	Manufacting and sales of optoelectranic and communication materials	351,882	Note 10	351,882 (USD11,300)	-	-	351,882 (USD11,300)	94	19.06%	-%	18	18,804	-
Smooth	Manufacture of motor parts	363,260 (USD12,000)	Note 12	363,260 (USD12,000)	-	-	363,260 (USD12,000)	3,517	100.00%	100%	3,517	419,642	-

(2) Limitation on investment in Mainland China

Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
GlobalWafers	2,538,961 (USD81,187) (Note 11)	3,535,884 (USD115,852) (Note 3 and 11)	39,869,739 (Note 4)
Actron	363,260 (USD12,000)	365,520 (USD12,000)	4,862,265 (Note 13)

Note 1: Investments through GSI.
Note 2: The basis for investment income (loss) recognition is from the audited financial statements.
Note 3: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the Historical Foreign Exchange Rate.
Note 4: Pursuant to the Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area' dated on August 29, 2008, the total amount of investment shall not exceed 60% of the GlobalWafers' net equity on December 31, 2023.
Note 5: Retained earnings transferred to capital was included.
Note 6: KST was funded by using the capital of SST, which cannot be considered as investment limit because there was no remittance from Taiwan.
Note 7: SSKT was funded by using the capital of SST, which cannot be considered as investment limit because there was no remittance from Taiwan.
Note 8: MHTM is china-based company invested by SSKT.
Note 9: YHTM is China-based company invested by Crystalwise HK.
Note 10: Investment made directly by Taiwan-based investment company.
Note 11: Includes the investment amount on November 1, 2023 for the merger of YHTM, a subsidiary of CWT. The cumulative investment amount is US$59,458 thousand in the Mainland China and an amount approved by the Department of Investment Review is US$59,688 thousand.
Note 12: Indirectly investment in Mainland China through companies registered in a third region.
Note 13: The investment amounts authorized by Investment Commission, MOEA: 8,103,775 (net equity of Actron as of December 31, 2023) ×60%＝4,862,265.

Stock Code:5483

Sino-American Silicon Products Inc.

Parent-Company-Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

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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.

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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 requirment. 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)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 186,316	1	416,214	1
1136	Financial assets measured at amortized cost－current (notes 6(4) and 7)	-	-	331,609	1
1170	Notes and accounts receivable, net (notes 6(5) and (17))	541,523	1	805,367	2
1180	Accounts receivable due from related parties, net (note 7)	1,409,785	3	1,128,486	3
130X	Inventories (note 6(6))	596,224	1	1,089,216	2
1421	Prepayments to suppliers	4,713	-	13,786	-
1479	Other current assets	147,074	-	75,761	-
	Total current assets	2,885,635	6	3,860,439	9
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(3))	641,330	1	-	-
1550	Investments accounted for using equity method (notes 6(7) and 7)	40,913,728	88	37,485,104	84
1600	Property, plant and equipment (notes 6(8) and 7)	2,317,358	5	3,370,618	7
1755	Right-of-use assets (note 6(9))	97,768	-	123,081	-
1780	Intangible assets (note 6(10))	13,969	-	19,749	-
1900	Other non-current assets (note 6(14) and (15))	116,096	-	111,952	-
1980	Other financial assets－non-current(note 8)	55,561	-	46,893	-
	Total non-current assets	44,155,810	94	41,157,397	91
	Total assets	$ 47,041,445	100	45,017,836	100

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(11))	$ 5,400,000	11	3,150,000	8
2120	Financial liabilities at fair value through profit or loss－current (note 6(2))	-	-	1,219	-
2130	Contract liabilities－current (notes 6(18) and 7)	441,877	1	661,482	1
2170	Notes and accounts payable	713,757	2	906,296	2
2180	Accounts payable to related parties (note 7)	5,934	-	7,334	-
2201	Payroll and bonus payable	1,888,158	4	1,508,268	3
2216	Dividends payable	2,051,776	4	1,875,909	4
2250	Provisions－current (note 6(13))	270,729	1	417,481	1
2399	Other current liabilities－other (notes 6(12) and 7)	339,678	1	324,753	1
	Total current liabilities	11,111,909	24	8,852,742	20
	Non-Current liabilities:				
2527	Contract liabilities－non-current (notes 6(18) and 7)	1,000,594	2	1,030,729	2
2550	Provisions－non-current (note 6(13))	3,029,236	7	3,165,684	7
2600	Other non-current liabilities (notes 6(12) and (14))	157,367	-	96,109	-
	Total non-current liabilities	4,187,197	9	4,292,522	9
	Total liabilities	15,299,106	33	13,145,264	29
	Equity (note 6(16))**:**				
3110	Ordinary shares	5,862,217	12	5,862,217	13
3200	Capital surplus	16,955,211	36	16,846,163	37
3300	Retained earnings	19,764,133	42	15,138,189	34
3400	Other equity interest	(6,457,122)	(14)	(5,973,997)	(13)
3500	Treasury shares	(4,382,100)	(9)	-	-
	Total equity	31,742,339	67	31,872,572	71
	Total liabilities and equity	$ 47,041,445	100	45,017,836	100

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)	7,473,703	109	9,004,655	88
	Gross profit from operations	(634,530)	(9)	1,212,683	12
	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	146,181	2	93,932	1
	Total operating expenses	695,264	10	676,444	7
	Net operating income (loss)	(1,329,794)	(19)	536,239	5
	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)	(63,838)	(1)	(26,154)	-
7060	Share of profit of associates and subsidiaries accounted for using equity method (note 6(7))	10,242,606	150	7,760,113	76
		11,195,882	163	8,139,118	80
	Income before income tax	9,866,088	144	8,675,357	85
7950	Less: Income tax expenses (benefits) (note 6(15))	22,268	-	(40,454)	-
	Net income	9,843,820	144	8,715,811	85
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))	406,962	6	(803,426)	(8)
		517,767	8	(801,781)	(8)
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))	(2,702)	-	(24,645)	-
		(727,450)	(11)	289,287	3
8300	**Other comprehensive income (after tax)**	(209,683)	(3)	(512,494)	(5)
	Total comprehensive income	**$ 9,634,137**	**141**	**8,203,317**	**80**
	Earnings per share (NT dollars) (note 6(17))				
9750	Basic earnings per share	**$**	**16.99**		**14.87**
9850	Diluted earnings per share	**$**	**16.89**		**14.75**

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)

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

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

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

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

(Continued)

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

(English Translation of the Parent-Company-Only Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc.

Statements of Cash Flows (Continued)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(529,880)	-
Repayment at maturity of financial assets at amortized cost	330,000	-
Increase in intercompany loan due from related parties	(610,841)	(111,761)
Acquisition of investments accounted for using equity method	(641,404)	(844,922)
Proceeds from disposal of investments accounted for using equity method	-	153,268
Cash dividends from investment accounted for using equity method	3,676,103	3,829,112
Acquisition of property, plant and equipment, prypayments 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 in 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	$ **186,316**	**416,214**

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

Sino-American Silicon Products Inc.

Notes to the Parent-Company-Only Financial Statements

For the years ended December 31, 2023 and 2022

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

1. Company history

Sino-American Silicon Products Inc. (hereinafter referred to as "the Company") was incorporated in accordance with the Company Act of the Republic of China in January 1981 at No. 8, Industrial East Road 2, Science Based Industrial Park, Hsinchu, Taiwan (R.O.C.). for the R&D, design, production and sale of semi-conductor silicon materials and components, rheostats, optical and communications wafer materials; and also the related technology, management consulting business, and technical services of the photo-voltaic power system generation and installation.

The Company's stocks have been traded publicly at the Taipei Exchange (TPEx) since March 2001.

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

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

2. Approval date and procedures of the financial statements:

These parent-company-only financial statements were authorized for issuance by the Board of Directors on February 29, 2024.

3. New standards, amendments and interpretations adopted:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only financial statements, from January 1, 2023:

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

The Company has initially adopted the new amendment, which do not have a significant impact on its parent-company-only financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform – Pillar Two Model Rules"

(2) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its parent-company-only financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(3) The impact of IFRS issued by the International Accounting Standards Board (the "IASB") but not yet endorsed by the FSC

The Company does not expect the new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its parent-company-only financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"
- Amendments to IAS 21 "Lack of Exchangeability"

4. Summary of material accounting policies:

The significant accounting policies presented in the parent-company-only financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

(1) Statement of compliance

The parent-company-only financial statements is prepared in accordance with the " Regulations Governing the Preparation of Financial Reports by Securities Issuers."

(2) Basis of preparation

A. Basis of measurement

Except for the following significant accounts, the parent-company-only financial statements have been prepared on a historical cost basis:

(a) Financial instruments measured at fair value through profit or loss are measured at fair value;

(b) Financial assets at fair value through other comprehensive income (loss) are measured at fair value;

(c) The defined benefit liability recognized is the net of pension assets less the present value of defined benefit obligation and the limit of recognized assets as discussed in note 4 (16).

B. Functional and presentation currency

The Company's functional currency is the currency of the main economic environment in which it operates. This parent-company-only financial statements is presented in the Company' s functional currency, New Taiwan Dollar. All financial information presented in NT dollars is expressed in NT$ thousand.

(3) Foreign currencies

A. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currency using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currency using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an equity investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

B. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into New Taiwan Dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into New Taiwan Dollars at the average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(4) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

A. It is expected to be realized, or intends to be sold or consumed, in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is expected to be realized within twelve months after the reporting period; or

D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

A. It is expected to be settled in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is due to be settled within twelve months after the reporting period; or

D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash comprises cash and cash in bank. Cash equivalents are short term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and held for the purpose of meeting short term cash commitments rather than for investment or other purposes are classified as cash equivalents.

(6) Financial instruments

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) – financial assets, or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and.

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVTOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company right to receive payment is established.

(c) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(d) Assess whether the contractual cash flow is entirely for the payment of the principal and interest on the outstanding principal amount

For the purpose of assessment, the principal is the fair value of the financial assets at the time of initial recognition. The interest consists of the following considerations: the time value of money, the credit risk associated with the amount of the outstanding principal in a specified period, and other basic loan risks and costs, and margin of profit.

To assess whether the contractual cash flow is entirely for the payment of the principal and interest on the outstanding principal amount, the Company considers the terms of the financial instrument contract, including assessing whether the financial asset contains a contractual term that changes the time point or amount of the contractual cash flow, resulting not meeting this condition. At the time of evaluation, the Company consider:

- Any contingency that would change the point or amount of the contractual cash flow;
- The terms that adjust the contractual coupon rate, including the characteristics of the variable interest rate;

- Early repayment and extension features; and

- The Company' s claim is limited to terms derived from the cash flow of a particular asset (e.g. non-recourse characteristics).

(e) Impairment of financial assets

The Company recognizes the allowance for the expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, refundable deposits and other financial assets, etc.) and contractual assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured by 12-month ECL:

- Debt securities that are determined to have low credit risk at the reporting date；and

- The credit risk of other debt securities and bank deposits (i.e., The risk of default on the expected duration of the financial instruments) has not increased significantly since the initial recognition.

The allowance for receivables and contractual assets is measured at the amount of expected credit losses during the lifetime.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company historical experience and informed credit assessment as well as forward looking information.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower’ s financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company procedures for recovery of amounts due.

(f) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(a) Classification of debt or equity

Debt or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreement.

(b) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(c) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

(d) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(e) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(f) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

C. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(7) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted-average-cost method and includes expenditure incurred in acquiring the inventories, production or conversion cost, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses necessary to make the sale.

(8) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The parent-company-only financial statements include the Company's share of the profit or loss and other comprehensive income of, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of the Company's interests in the associate that are not related to the Company.

When the Company's share of losses or exceeds its interests in an associate, the carrying amount of the investment, including any long term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent the Company has an obligation or has made payments on behalf of the investee.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued. If the Company's ownership interest in an associate is reduced while it continues to apply the equity method, the Company reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

(9) Investment in subsidiaries

The investees which are controlled by the Company are measured under equity method in preparing the parent-company-only financial statement. The profit, other comprehensive income and equity in the parent-company-only financial statement are equal to the profit, other comprehensive income and equity attributable to the shareholders of parent in the consolidated financial statement.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing of control over the subsidiary are accounted for as equity transaction.

(10) Property, plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

C. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(a) Buildings: 2 to 50 years

(b) Machinery and equipment: 1 to 10 years

(c) Other equipment and leased assets: 2 to 25 years

Buildings constitute mainly buildings, mechanical and electrical power equipment, and related engineering, wastewater treatment and sewage system, etc. Each such part is depreciated based on its useful life of 2 to 50 years, 5 to 25 years, and 6 to 20 years, respectively.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(11) Lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(a) fixed payments, including in-substance fixed payments;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) amounts expected to be payable under a residual value guarantee; and

(d) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(a) there is a change in future lease payments arising from the change in an index or rate; or

(b) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

(c) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(d) there is a change of its assessment on whether it will exercise an extension or termination option; or

(e) there are any lease modifications

When the lease liability is remeasured, other than lease, modifications a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases with 12 months or less and leases of low-value assets, including parking space and other equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract, which accounted as a single lease component.

(12) Intangible assets

A. Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

B. Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

C. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

D. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

The estimated useful lives of intangible assets for current and comparative periods are as follows:

Computer software: 3 to 10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or a cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. And then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of or depreciation amortization, if no impairment loss had been recognized.

(14) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest expense.

Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(15) Revenue recognition

A. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company' s main types of revenue are explained below:

(a) Sale of goods

The Company engages mainly in the research, development, production, design, and sales of semiconductor ingots and wafers, varistors, optoelectronics and communication wafer materials. The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer' s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered, as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(b) Product processing services

The Company provides processing of products and recognizes the relevant revenue during the financial reporting period of the labor service. Revenue recognition for fixed price contracts is based on the ratio of services actually provided to total services as of the reporting date, which is determined by the percentage of labor performed to the total amount of labor to be performed. If the situation changes, the estimates of revenue, cost, and degree of completion will be revised, and the increase or decrease in the period when the management is aware of the change in the situation will be reflected in profit or loss.

Under the fixed price contract, the customer pays a fixed amount in accordance with the agreed time schedule. When the services provided exceed the payment, the contract assets are recognized; if the payment exceeds the services provided, the contract liabilities are recognized.

If the contract is valued based on the number of hours in which the service is provided, the revenue is recognized by the amount in which the Company has the right to open an invoice. The Company will ask customers for a monthly payment and will receive the consideration after opening the invoice.

The Company recognizes the accounts receivable when the goods are delivered, because the Company has the right to collect the consideration unconditionally at that time.

(c) Power electric revenue

The Company recognized the power electric revenue based on the actual electric units and electric rate.

(d) Engineering contract

The Company is engaged in the contracting business of solar power plants. Since the assets are controlled by the customers at the time of construction, the revenue is gradually recognized over time based on the proportion of the engineering costs incurred to date to the estimated total contract costs. A fixed amount paid by the customer in accordance with the agreed time schedule. Certain changes in consideration are estimated using expectations from past experience; other changes are estimated at the most probable amount. The Company recognizes revenue only within the scope of the cumulative revenue level where it is highly probable that no significant reversal will occur. If the amount of revenue recognized has not been requested, it is recognized as a contract asset and the contract asset is transferred to the accounts receivable when there is an unconditional right to the consideration.

If the degree of completion of the performance obligation of the construction contract cannot be reasonably measured, the contract revenue is recognized only within the range of expected recoverable costs.

When the Company expects that the inevitable cost of performance of an engineering contract exceeds the economic benefit expected from the contract, the liability provision for the onerous contract is recognized.

If the circumstances change, the estimates of revenue, cost and completion will be revised and the changes will be reflected in gain or loss when the management is informed of the change in circumstances and the amendment is made.

B. Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(16) Employee Benefits

A. Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

B. Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(17) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards whose related services are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related services at the vesting date.

The non-vested conditions relating to the share-based payment incentives are reflected in the measurement of the fair value of the share-based payment and the difference between the expected and actual results is not subject to verification adjustment.

Grant date of a share-based payment award is the date which the Board of Directors authorized the price and number of a new award.

(18) Income tax

Income taxes comprise current taxes and deferred taxes. Except for items related to business combinations, or items recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized except for the following:

A. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

B. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

C. taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (a) the same taxable entity; or

    (b) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(19) Business combination

The Company arising from an acquisition is measured as the excess of the consideration transferred (which is generally measured at fair value) and the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

For each business combination, the Company measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest’ s proportionate share of the acquiree’ s identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree’ s net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRS Accounting Standards endorsed by the FSC.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group’ s financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

(20) Earnings per share

The Company discloses basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee remuneration that could be settled in the form of stock. The Company’s potential diluted ordinary share includes non-vested shares of restricted employee right and employee remuneration that has not been resolved by the Board of Directors and has been issued in the form of shares.

(21) Operating segment

The Company has the segment information disclosed in the consolidated financial statements; therefore, it will not be disclosed in the parent-company-only financial statements.

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

In preparing the parent-company-only financial statements, the management had made judgments, estimations and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in the accounting estimates during the period and the impact of those changes in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent-company-only financial statements is as follows:

Judgment of whether the Company has substantial control over investees

The Company holds 24.58% of the voting shares of Actron Technology Corporation (Actron) and is the single largest shareholder with the support of the other shareholders obtained on October, 2, 2023. Considering the Company's power over the investee, exposure or rights to variable returns, and the ability to use its power over the investee to affect the amount of the investee's remuneration, the Company obtained control over Actron.

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

The accounting policies which involved the estimation and assumption uncertainty that may cause adjustments in the subsequent period is as below:

The Company finance and accounting departments conduct independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This finance and accounting departments also periodically adjust valuation models, conduct back testing, renew input data for valuation models, and make all other necessary fair value adjustments to assure the rationality of fair value.

The Company strives to use the observable market inputs when measuring assets and liabilities. The hierarchy of the fair value categorized by the valuation techniques used is as follows:

Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For any transfer within the fair value hierarchy, the Company recognizes the transfer on the reporting date. For the assumption used in fair value measurement, please refer to note 6(24) of the financial instruments.

6. Explanation of significant accounts:

(1) Cash and cash equivalents

		December 31, 2023	December 31, 2022
Cash on hand	$	200	200
Demand deposits		174,000	416,014
Time deposits		12,116	-
Cash and cash equivalents in the statement of cash flows	$	**186,316**	**416,214**

Please refer to note 6(24) for the interest rate risk and sensitivity analysis of the Company's financial assets and liabilities.

(2) Financial assets and liabilities at fair value through profit or loss

		December 31, 2023	December 31, 2022
Financial liabilities at fair value through profit or loss-current:			
Swap exchange contract		-	1,219
	$	**-**	**1,219**

The Company uses derivative instruments to hedge certain currency risk arising from the Company's operating activities. The Company held the following derivative instruments not used for hedging and accounted them as financial liabilities designated as at fair value through profit or loss as follows:

	December 31, 2022			
	Contract amount (in thousands)		Currency	Maturity date
Swap exchange contract Currency exchange	EUR	3,500	EUR to USD	January 3, 2023 to January 10, 2023

For the disclosure of market risk, please refer to note 6(24).

The financial assets mentioned above were not pledged as collateral.

(3) Financial assets at fair value through other comprehensive income

		December 31, 2023	December 31, 2022
Equity instruments measured at fair value through other comprehensive income:			
Equity investment in domestic entities	$	**641,330**	**-**

The Company investments in these equity instruments are long-term strategic investments and are not held for trading purposes and have been designated to be measured at fair value through other comprehensive income.

For the years ended December 31, 2023 and 2022, the dividend income of $3,875 thousand and $0 thousnad, respectively, related to equity investments at fair value through other comprehensive income, was recognized, respectively.

For the disclosure of market risk, please refer to note 6(24).

The above financial assets are not pledged as collateral.

(4) Financial assets measured at cost－current

	December 31, 2023	December 31, 2022
Corporate bonds - Crystalwise	**$ -**	**331,609**

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

In October 2021, the Group purchased the private corporate bonds of CWT for a one-year period at a principal amount of $330,000 thousand. The coupon rate and effective interest rate were both 2.00%. On September 22, 2022 and March 16, 2023 the Board of Directors resolved to extend the private issued corporate bonds for 6 months. The bond matures on May 2023, and the capital repayments will be made in full.

For the disclosure of credit risk, please refer to note 6(24).

The above financial assets are not pledged as collateral.

(5) Notes and accounts receivable, net

	December 31, 2023	December 31, 2022
Notes receivable	$ 8,787	45,525
Accounts receivable	532,736	759,842
	$ 541,523	**805,367**

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

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

	December 31, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	$ 637,157	0%	-
1 to 30 days past due	38,667	0%	-
	$ 675,824		-

	December 31, 2022		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	$ 780,316	0%	-
1 to 30 days past due	86,737	0%	-
	$ 867,053		-

For the years ended 2023 and 2022, the Company did not recognize the impairment loss for accounts receivable.

The Company's notes and accounts receivables (including related parties) were not pledged as collateral.

(6) Inventories

	December 31, 2023	December 31, 2022
Finished goods and merchandises	$ 112,114	284,224
Work in progress	44,176	84,636
Raw materials	439,934	720,356
	$ 596,224	1,089,216

Components of operating costs were as follows:

	2023	2022
Cost of goods sold	$ 6,648,782	8,858,086
Impairment loss of property, plant and equipment (note 6(8))	764,756	53,983
Recognition (reversal) of inventory valuation loss	(78,589)	209,445
Unallocated fixed manufacturing expense	421,954	200,116
Reversal of provision (note 6(13))	(283,200)	(316,975)
	$ 7,473,703	9,004,655

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

(7) Investments accounted for using equity method

The Company's summary of the financial information for investments accounted for using equity method at the reporting date was as follows:

	December 31, 2023	December 31, 2022
Subsidiary	$ 40,953,749	35,702,506
Associates	54,513	1,566,366
Unrealized gains (losses) between affiliates	(94,534)	216,232
	$ 40,913,728	**37,485,104**

(a) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2023.

As of December 31, 2023, the carrying amount of the investments accounted for using equity method was higher than its recoverable amount, and an impairment loss $1,386,848 thousand was recognized in other gains and losses. (note 6(21))

(b) Affiliated associates

Names of affiliated companies	Relationship with the Company	Main location/ country registered in	Percentage of equity ownership interests and voting rights December 31, 2023	December 31, 2022
Actron Technology Corporation (Actron)	Mainly engages in the manufacturing of electronic component.	Taiwan	Note (d)	22.75%
Crystalwise Technology Inc. (Crystalwise Technology)	Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material.	Taiwan	Note (f)	31.61%
Accu Solar Corporation (Accu Solar)	The main business is providing solar modules.	Taiwan	24.70%	24.70%
Advanced Wireless Semiconductor Company (Advanced Wireless)	Mainly engages in the Manufacturing and trading of GaAs wafers.	Taiwan	Note (c)	Note (c)

The Company's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

		December 31, 2023	December 31, 2022
Carrying amount of individually insignificant associates' equity	**$**	**54,513**	**1,566,366**
Attributable to the Company:			
Profit (loss) from continuing operations	$	147,478	94,572
Other comprehensive income		31,739	(209,494)
Comprehensive income (loss)	**$**	**179,217**	**(114,922)**

(c) The Company purchased outstanding shares of Advanced Wireless in the publicly traded market in the year of 2022 amounting to $844,922 thousand. As of December 31, 2022, the accumulated shareholding was 27.62%. Advanced Wireless' Board of Directors was fully re-elected on June 20, 2022, and the Company obtained the majority of the directors' seats. Thus, the Company obtained the control over the investee and included it in the consolidated financial statements from the date of obtaining control. The remeasured gains amounting to $23,282 thousand were recognized as other gains and losses(note6(21)).

(d) The Company additionally purchased outstanding shares of Actron in the year of 2023 amounting to $639,832 thousand. As of December 31, 2023, the accumulated shareholding is 24.58%, and the Company became the single largest shareholder with the support of the other shareholders obtained on October, 2, 2023. The Company obtained the majority of the directors' seats thus obtained the control over the investee. The remeasured gains amounting to $2,149,169 thousand were recognized as other gains and losses (note6(21)).

(e) For the years ended December 31, 2023 and 2022, the cash dividends from the investees were $3,676,103 thousand and $2,047,427 thousand, respectively, which were recognized as deductions of investments accounted for using the equity method.

(f) The Company sold ordinary shares of CWT in the publicly traded market in the years of 2023 amounting to $60,108 thousand. Gains on disposal of investments amounting to $58,049 thousand and were recognized as other gains and losses (note6(21)). On November 1, 2023, Global Wafers and CWT exchange shares. The swap ratio is each share of CWT for 0.02 newly issued shares of the Company. Global Wafers get entire equity of CWT.

(g) Guarantee

The Company did not pledge any investments accounted for using the equity method as collateral.

(8) Property, plant and equipment

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

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:						
Balance at January 1, 2023	$ 405,890	2,655,878	2,387,360	1,540,201	5,011	6,994,340
Additions	-	138	17,176	64,152	178,678	260,144
Disposals	-	(3,536)	(103,452)	(58,223)	-	(165,211)
Reclassification	-	-	4,850	3,265	(4,865)	3,250
Balance at December 31, 2023	**$ 405,890**	**2,652,480**	**2,305,934**	**1,549,395**	**178,824**	**7,092,523**
Balance at January 1, 2022	$ 405,890	2,649,530	2,292,320	1,361,036	117,604	6,826,380
Additions	-	10,781	173,210	165,803	390,138	739,932
Disposals	-	(12,143)	(537,014)	(53,543)	-	(602,700)
Reclassification	-	7,710	458,844	66,905	(500,316)	33,143
Transfer and others	-	-	-	-	(2,415)	(2,415)
Balance at December 31, 2022	**$ 405,890**	**2,655,878**	**2,387,360**	**1,540,201**	**5,011**	**6,994,340**
Depreciation and impairment loss:						
Balance at January 1, 2023	$ -	1,330,533	1,502,344	790,845	-	3,623,722
Depreciation for the year	-	103,559	299,822	148,517	-	551,898
Impairment loss	-	230,666	223,178	310,912	-	764,756
Disposals	-	(3,536)	(103,452)	(58,223)	-	(165,211)
Balance at December 31, 2023	**$ -**	**1,661,222**	**1,921,892**	**1,192,051**	**-**	**4,775,165**
Balance at January 1, 2022	$ -	1,220,245	1,803,021	716,705	-	3,739,971
Depreciation for the year	-	101,765	213,409	116,846	-	432,020
Impairment loss	-	20,667	22,928	10,388	-	53,983
Disposals	-	(12,144)	(537,014)	(53,094)	-	(602,252)
Balance at December 31, 2022	**$ -**	**1,330,533**	**1,502,344**	**790,845**	**-**	**3,623,722**
Carrying amounts:						
Balance at December 31, 2023	**$ 405,890**	**991,258**	**384,042**	**357,344**	**178,824**	**2,317,358**
Balance at January 1, 2022	**$ 405,890**	**1,429,285**	**489,299**	**644,331**	**117,604**	**3,086,409**
Balance at December 31, 2022	**$ 405,890**	**1,325,345**	**885,016**	**749,356**	**5,011**	**3,370,618**

B. Impairment loss

The Company recognized an impairment loss of some machinery amounting to $764,756 thousand and $53,983 thousand for the years ended December 31, 2023 and 2022 respectively, where were recognized as cost of sales, due to changes in production technology.

C. Collateral

The property, plant and equipment mentioned above were not pledged as collateral.

(9) Right-of-use assets

The Company leases many assets including land, buildings and other equipment. The carrying amounts on right-of-use assets were presented below:

	Land	Buildings	Other equipment	Total
Cost:				
Balance at January 1, 2023	$ 84,257	142,503	3,055	229,815
Additions	-	1,796	3,425	5,221
Disposals	-	-	(550)	(550)
Balance at December 31, 2023	**$ 84,257**	**144,299**	**5,930**	**234,486**
Balance at January 1, 2022	$ 84,257	142,153	4,247	230,657
Additions	-	350	1,801	2,151
Disposals	-	-	(2,993)	(2,993)
Balance at December 31, 2022	**$ 84,257**	**142,503**	**3,055**	**229,815**
Accumulated depreciation:				
Balance at January 1, 2023	$ 18,036	87,509	1,189	106,734
Depreciation	6,724	22,283	1,527	30,534
Disposals	-	-	(550)	(550)
Balance at December 31, 2023	**$ 24,760**	**109,792**	**2,166**	**136,718**
Balance at January 1, 2022	$ 11,312	65,610	3,107	80,029
Depreciation	6,724	21,899	1,075	29,698
Disposals	-	-	(2,993)	(2,993)
Balance at December 31, 2022	**$ 18,036**	**87,509**	**1,189**	**106,734**
Carrying amount:				
Balance at December 31, 2023	**$ 59,497**	**34,507**	**3,764**	**97,768**
Balance at January 1, 2022	**$ 72,945**	**76,543**	**1,140**	**150,628**
Balance at December 31, 2022	**$ 66,221**	**54,994**	**1,866**	**123,081**

(10) Intangible assets

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

		Computer software
Cost:		
Balance at January 1, 2023	$	20,697
Addition		940
Balance at December 31, 2023	**$**	**21,637**
Balance at January 1, 2022	$	-
Addition		19,833
Reclassification		864
Balance at December 31, 2022	**$**	**20,697**
Accumulated amortization		
Balance at January 1, 2023	$	948
Amortization for the year		6,720
Balance at December 31, 2023	**$**	**7,668**
Balance at January 1, 2022	$	-
Amortization for the year		948
Balance at December 31, 2022	**$**	**948**
Carrying amounts:		
Balance at December 31, 2023	**$**	**13,969**
Balance at December 31, 2022	**$**	**19,749**

The intangible assets mentioned above were not pledged as collateral.

(11) Short-term borrowings

		December 31, 2023	December 31, 2022
Unsecured borrowings	**$**	**5,400,000**	**3,150,000**
Unused credit lines	**$**	**10,709,615**	**11,585,930**
Range of interest rates at the year end		**1.51%~1.70%**	**1.24%~1.99%**

(12) Lease liabilities

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

	December 31, 2023	December 31, 2022
Current (recognized under other current liabilities)	$ 31,003	29,508
Non-current (recognized under other non-current liabilities)	$ 69,375	96,109

For the maturity analysis, please refer to note 6(24) "Financial instruments".

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	$ 1,616	1,877
Variable lease payments not included in the measurement of lease liabilities	$ 271	259
Expenses relating to short-term leases	$ 882	821
Expenses relating to leases of low value assets, excluding short term leases of low value assets	$ 372	1,795

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

	2023	2022
Total cash outflow for leases	$ 33,602	34,077

A. Land and Buildings lease

The Company leases land and buildings for its facility and office space. The leases of office space typically run for a period of 7 to 20 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

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

B. Other leases

The Company leases vehicles and equipment with lease terms of 2 to 6 years. In some cases, the Company has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

(13) Provision

The details of the movement in the Company's provisions were as follows:

	Onerous contracts	Others	Total
Balance of January 1, 2023	$ 3,583,065	100	3,583,165
Provisions reversed during the year	(283,200)	-	(283,200)
Balance of December 31, 2023	**$ 3,299,865**	**100**	**3,299,965**
Current	$ 270,719	10	270,729
Non-current	3,029,146	90	3,029,236
Total amount	**$ 3,299,865**	**100**	**3,299,965**
Balance of January 1, 2022	$ 3,900,040	100	3,900,140
Provisions reversed during the year	(316,975)	-	(316,975)
Balance of December 31, 2022	**$ 3,583,065**	**100**	**3,583,165**
Current	$ 417,471	10	417,481
Non-current	3,165,594	90	3,165,684
Total amount	**$ 3,583,065**	**100**	**3,583,165**

The Company entered into several non-cancellable long-term material supply agreements with the suppliers of silicon materials. The Company agrees to purchase the required quantity of raw materials on schedule based on the contractual price during the commitment periods and makes a non-refundable prepayment to the suppliers. The suppliers need to deliver the required quantity of raw materials to the Company according to the contract. Provisions for the onerous contracts were made based on contractual terms and reversed profit or loss according to performance of the contract, where were recognized as cost of sales. For the related agreement, please refer to note 9.

(14) Employee benefits

A. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value was as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ (29,430)	(28,083)
Fair value of plan assets	29,205	28,352
Recognized assets (liabilities) for defined benefit obligations	**$ (225)**	**269**

The Company's defined benefit plans are appropriated to the labor pension reserve account at the Bank of Taiwan. The pension payment to each employee under the Labor Standards Act is calculated in accordance with the service points received for the years of service and the average salary six months prior to retirement.

(a) Plan assets composition

The pension fund accrued in accordance with Labor Standards Act is managed by the Labor Fund Application Bureau of the Ministry of Labor (the Labor Fund Bureau). In accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the use of the fund, the minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The balance of the Company's labor retirement reserve account at Bank of Taiwan on the reporting date was $29,205 thousand. For information on the utilization of the labor pension fund assets, including the assets allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(b) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations were as follows:

		2023	2022
Defined benefit obligations at January 1	$	28,083	27,244
Current service costs and interest cost		490	368
Re-measurements for defined benefit obligations			
—Actuarial gains and losses arising from experience adjustments		551	1,155
—Actuarial gains and losses resulting from changes in financial assumptions		306	(684)
Defined benefit obligations at December 31	**$**	**29,430**	**28,083**

(c) Movements in fair value of defined benefit plan assets

The movements in fair value of the defined benefit plan assets were as follows:

		2023	2022
Fair value of plan assets at January 1	$	28,352	25,827
Interest income		392	162
Re-measurements for defined benefit obligations			
—Return on plan asset (excluding current interest)		212	2,116
Contributions made		249	247
Fair value of plan assets at December 31	**$**	**29,205**	**28,352**

(d) Change in the effect of the asset ceiling

As of December 31, 2023 and 2022, there was no effect of the asset ceiling.

(e) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2023 and 2022, were as follows:

	2023	2022
Current service costs	$ 103	198
Net interest of defined benefit obligation	(5)	8
	$ 98	**206**
Operating Costs	$ 83	86
Selling expenses	4	29
Administrative expenses	5	41
Research and development expenses	6	50
	$ 98	**206**

(f) Actuarial assumptions

The significant actuarial assumptions used for the present value of the defined benefit obligation by the Company at the end of the reporting date are as follows:

	December 31, 2023	**December 31, 2022**
Discount rate	1.250%	1.375%
Future salary increase rate	2.500%	2.500%

The estimated amount of contribution to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $258 thousand.

The weighted average duration of the defined benefit plan is 8.3 years.

(g) Sensitivity analysis

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation as of December 31, 2023 and 2022.

	Impact on defined benefit obligations	
Actuarial assumptions	**Increased by 0.25%**	**Decreased by 0.25%**
December 31, 2023		
Discount rate	**$ (607)**	**624**
Future salary increase rate	**$ 605**	**(592)**

Actuarial assumptions	Impact on defined benefit obligations	
	Increased by 0.25%	**Decreased by 0.25%**
December 31, 2022		
Discount rate	$ **(628)**	**646**
Future salary increase rate	$ **628**	**(613)**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, assuming other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in previous periods. There was no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

There was no change in the method and assumptions used in the preparation of the sensitivity analysis for 2023 and 2022.

B. Defined contribution plans

The Company contributes at the rate of 6% of each employee' s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company's contribution to the Bureau of Labor Insurance requires no additional legal or constructive obligations thereafter.

The pension costs incurred from contributions to the defined contribution plan were $23,542 thousand and $23,635 thousand for the years ended December 31, 2023 and 2022, respectively. Such contributions were made to the Bureau of the Labor Insurance, Ministry of Labor.

(15) Income tax

A. Income tax expense

The components of income tax expenses (benefit) in 2023 and 2022 were as follows:

	2023	**2022**
Current tax period	$ 683	911
Deferred tax expense (benefit)		
Temporary difference	21,585	(41,365)
Income tax expense (benefit)	$ **22,268**	**(40,454)**

The amounts of income tax benefit (expenses) recognized in other comprehensive income in 2023 and 2022 were as follows:

	2023	2022
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	**$ (2,702)**	**(24,645)**

Reconciliations of income tax and income before income tax for 2023 and 2022 were as follows:

	2023	2022
Income before income tax	$ 9,866,088	8,675,357
Income tax using the Company's domestic tax rate	1,973,218	1,735,071
Tax effect of permanent differences	(2,088,103)	(1,553,965)
Changes in unrecognized temporary differences and others	137,153	(221,560)
	$ 22,268	**(40,454)**

B. Deferred tax assets and liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as at December 31, 2023 and 2022. Also, the management considers it is probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized as deferred tax liabilities.

(a) The deferred tax assets have not been recognized in respect of the following items:

	December 31, 2023	December 31, 2022
Tax effect of deductible temporary differences	$ 1,132,306	991,569
Carryforward of unused tax losses	473,952	475,898
	$ 1,606,258	**1,467,467**

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2023, the information of the Company's unused tax losses for which no deferred tax assets were recognized is as follows:

Year of loss	Unused tax losses	Expiry date
2017 (examined and assessed)	$ 1,189,763	2027
2018 (examined and assessed)	1,179,999	2028
	$ 2,369,762	

(b) Recognized deferred tax assets and liabilities

Deferred tax assets:

	January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2022	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2023
Allowance for inventory valuation	$ 5,096	41,889	-	46,985	(15,718)	-	31,267
Others	86,618	(524)	(24,645)	61,449	(5,867)	(2,702)	52,880
	$ 91,714	**41,365**	**(24,645)**	**108,434**	**(21,585)**	**(2,702)**	**84,147**

C. Assessment of tax filings

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

(16) Capital and other equity

As of December 31, 2023 and 2022, the authorized common stock of the Company amounted to $8,000,000 thousand, which was divided into 800,000 thousand shares, with a par value of $10 per share, of which $200,000 thousand was reserved for employee stock options, convertible preferred stock, and convertible corporate bonds. The issued and outstanding shares of common stock amounted to $5,862,217 thousand.

The reconciliation of shares outstanding for the years ended December 31, 2023 and 2022 was as follows (in thousands of shares):

	Common stock	
	2023	**2022**
Closing balance on December 31 (i.e. opening balance on January 1)	**$ 586,222**	**586,222**

A. Issuance of common stock

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

B. Capital surplus

The balances of capital surplus were as follows:

		December 31, 2023	December 31, 2022
Additional paid in capital	$	7,195,673	7,195,673
Difference between the consideration and the carrying amount of subsidiaries and associates' share acquired or disposed		1,447,251	1,447,251
Capital surplus recognized under the equity method		7,670,021	7,561,496
Treasury stock transactions		33,314	33,314
Employee stock options		608,952	608,429
	$	**16,955,211**	**16,846,163**

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

The Company's resolutions to distribute cash dividends out of capital surplus for an amount of $486,564 thousand ($0.83 per share) and $614,243 thousand ($1.0478 per share), respectively, were approved during the shareholders' meeting held on December 8, 2022 and May 5, 2022.

Relevant information can be found on the Market Observation Post System website.

C. Legal reserve

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

D. Special reserve

When the Company adopted the International Financial Reporting Standards (IFRSs) approved by the FSC for the first time, the Company had chosen to apply IFRS 1 "First time Adoption of the IFRSs" exemptions. Retained earnings was increased by $161,317 thousand due to the adjustment of accumulated translation adjustment under the shareholders' equity, which exceeded the net increase of $102,349 thousand in retained earnings on the conversion date for the first time adoption of IFRSs approved by the FSC. In accordance with rule by the FSC, a special reserve is appropriated from retained earnings based on the net increase of retained earnings arising from the first adoption of IFRSs. Under such regulation, the Company is also required to set aside an additional special reserve, as part of the distribution of its annual earnings, equal to the difference between the amount of the abovementioned special reserve and the net debit balance of other components of the stockholders' equity. The only distributable special reserve is the portion that exceeds the net debit balance of the other components of the shareholders' equity. The carrying amounts of special reserve amounted to $102,349 thousand as of December 31, 2023 and 2022.

According to the rule by the FSC, while distributing the distributable earnings, the Company had additional special reserve appropriated from the current year net income and unappropriated earnings of the prior period for the difference between the net amount debited to other shareholder's equity and the balance of the special reserve appropriated in the preceding paragraph. For the amount debited to other shareholders' equity attributable to prior period accumulation, the special reserve was appropriated from the unappropriated earnings of the prior period and could not be distributed. The amount debited to the shareholders' equity reversed subsequently can be distributed as earnings.

E. Earnings distribution and dividend policy

According to the Company's Articles of Incorporation, the proposal of surplus earning distribution or loss offsetting for the first half fiscal year, together with the business report and financial statements, shall be forwarded to the audit committee for auditing before the end of the second half of the fiscal year; thereafter, be submitted to the Board of Directors for approval.

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

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

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

On December 15, 2023, the Company's Board of Directors resolved to distribute the first half of 2023 earnings. The earnings were appropriated as follows:

	2023	
	Dividends per share (NT dollar)	**Amount**
Dividends distributed to ordinary shareholder:		
Appropriation of the first half of earnings	$ 3.5000	2,051,776

On May 5, 2023 and December 8, 2022, the Company's Board of Directors determined the amount of cash dividends for the second half and the first half of 2022, respectively. On May 5, 2022 and December 9, 2021, the company's Board of Directors determined the amount of cash dividends for the second half and the first half of 2021.

The earnings were appropriated as follows:

	2022		2021	
	Dividends per share (NT dollar)	**Amount**	**Dividends per share (NT dollar)**	**Amount**
Dividends distributed to ordinary shareholder:				
Appropriation of the first half of earnings	$ 2.3700	1,389,345	0.1067	62,550
Appropriation of the annual earnings	5.8000	3,400,086	3.4522	2,023,754
Total	**$ 8.1700**	**4,789,431**	**3.5589**	**2,086,304**

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

The difference of earnings that distributed and the decision made by Board of Directors to distribute was the fractional shares that less than one dollar and reversal for $24 thousand.

F. Other equity, net of tax

	Exchange differences on translation of foreign financial statements	Gains (losses) on equity instruments measured at fair value through other comprehensive income	Unearned share-based employee compensation	Total
Balance at January 1, 2023	$ (4,616,247)	(1,354,989)	(2,761)	(5,973,997)
Exchange differences on translation of net assets of foreign operations	(727,608)	-	-	(727,608)
Changes in associates and joint ventures accounted for using equity method	-	(2,700)	-	(2,700)
Compensation cost of restricted stock awards of associates accounted for using equity method	-	-	(1,526)	(1,526)
Exchange differences on associates accounted for using equity method	158	-	-	158
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of subidiaries accounted for using equity method	-	167,802	-	167,802
Share of unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	111,450	-	111,450
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates accounted for using equity method	-	31,580	-	31,580
Compensation cost of restricted stock awards	-	-	-	-
Disposal of equity instruments measured at fair value through other comprehensive income	-	(62,281)	-	(62,281)
Balance at December 31, 2023	**$ (5,343,697)**	**(1,109,138)**	**(4,287)**	**(6,457,122)**

	Exchange differences on translation of foreign financial statements	Gains (losses) on equity instruments measured at fair value through other comprehensive income	Unearned compensation cost	Total
Balance at January 1, 2022	$ (4,905,534)	(527,417)	(6,056)	(5,439,007)
Exchange differences on translation of net assets of foreign operations	286,397	-	-	286,397
Exchange differences on associates accounted for using equity method	2,890	-	-	2,890
Compensation cost of restricted stock awards of associates accounted for using equity method	-	-	3,295	3,295
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of subsidiaries accounted for using equity method	-	(615,188)	-	(615,188)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates accounted for using equity method	-	(212,384)	-	(212,384)
Balance at December 31, 2022	**$ (4,616,247)**	**(1,354,989)**	**(2,761)**	**(5,973,997)**

G Treasury shares

In prior years, Hongwang and Actron acquired 25,050 thousand and 2,000 thousand shares of the Company's shares, respectively, based on their investment strategies. In 2023, Hongwang and Actron were no longer associates of the Company, and became an indirectly holding subsidiary and an directly holding subsidiary of the Company, respectively. Therefore, the Company recognized treasury stocks amounting to NT$4,382,100 thousand which were valued at the market price of NT$162 per share as of October 2, 2023. As of December 31, 2023, the market price of the Company was NT$196 per share. Hongwang and Actron have not sold the Company’s shares as of December 31, 2023.

(17) Earnings per share

A. Basic earnings per share

	2023	2022
Net Income attributable to the owner of the Company	$ **9,843,820**	**8,715,811**
Weighted average outstanding ordinary shares (in thousand of shares)	586,222	586,222
Effect of treasury stocks held by subsidiaries	(6,763)	-
Weighted average number of ordinary shares outstanding during the year (in thousands of shares)	**579,459**	**586,222**
Basic earnings per share (NT dollars)	$ **16.99**	**14.87**

B. Diluted earnings per share

	2023	2022
Net income attributable to the owner of the Company	$ **9,843,820**	**8,715,811**
Weighted average number of ordinary shares outstanding during the year (in thousands of shares) (basic)	579,459	586,222
Effect of dilutive potential ordinary shares (in thousands of shares)	3,533	4,585
Weighted-average number of ordinary shares outstanding (in thousands of shares) (diluted)	**582,992**	**590,807**
Diluted earnings per share (NT dollars)	$ **16.89**	**14.75**

(18) Revenue from contracts with customers

A. Details of revenues

	2023	2022
Primary geographical markets:		
Taiwan	$ 4,580,137	6,457,260
America	1,444,738	2,595,351
Asia-other	677,104	1,011,729
Northeast Asia (Japan and Korea)	33,438	152,398
Europe	-	600
Other areas	103,756	-
	$ **6,839,173**	**10,217,338**

		2023	2022
Major product categories			
Solar cell	$	2,307,645	3,523,022
Solar ingot		1,065,247	2,764,045
Solar module		13,295	15,694
Solar wafer		225,695	273,021
Others		3,227,291	3,641,556
	$	**6,839,173**	**10,217,338**

B. Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable (including related parties)	$	**675,824**	**867,053**	**755,138**
Contract liabilities	$	**1,442,471**	**1,692,211**	**2,863,962**

The major change in the balance of contract liabilities is the advance consideration received from customers for the contracts, in which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the years ended December 31, 2023 and 2022, which was included in the contract liability balance at the beginning of the period, was $161,909 thousand and $55,247 thousand, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the solar products of sales contracts and project payment received in advance, in which revenue is recognized when products are delivered to customers.

(19) Remuneration to employees and directors

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

For the years ended December 31, 2023 and 2022, the Company accrued and recognized its employee remuneration amounting to $550,000 thousand and $564,770 thousand and directors' amounting to $55,000 thousand. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's Articles of Incorporation, and expensed under operating costs or expenses. If, however, the shareholders determine that the employee remuneration is to be distributed through stock dividends, the calculation, based on the shares, shall be calculated using the stock price on the day before the Board of Directors meeting. The difference between estimated amount and actual payment, if any, will be treated as change in accounting estimate and recognized in profit or loss in the following year.

The amounts as stated in the parent-company-only financial statements, were identical to those of the actual distributions for 2023 and 2022, approved in the Board of Directors meetings. The information is available on the Market Observation Post System website.

(20) Interest income

	2023	2022
Interest income	$ 24,128	20,500
Interest income from financial assets measured at amortized cost	2,730	6,600
	$ 26,858	**27,100**

(21) Other gains and losses

	2023	2022
Foreign currency exchange gain (losses)	$ 12,672	119,186
Gain on disposal investees	2,149,169	81,331
Gain on disposal of property, plant and equipment	9,088	11,219
Impairment loss	(1,386,848)	-
Others	206,175	166,323
	$ 990,256	**378,059**

(22) Financial costs

	2023	2022
Interest expense of borrowings	$ 62,222	24,277
Interest expense of lease liability	1,616	1,877
	$ 63,838	**26,154**

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

		2023	2022
Exchange differences on translation of foreign operations	$	158	2,890
Unrealized gains on financial assets at fair value through other comprehensive income		31,580	(212,384)
	$	**31,738**	**(209,494)**

(24) Financial instruments

A. Credit risk

(a) Credit risk exposure

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

(b) Concentration of credit risk

The main customers of the Company are from the solar industries. The Company generally sets credit limits to its customers according to their credit evaluations. Therefore, the credit risk of the Company is mainly influenced by the solar and silicon wafer industry. As of December 31, 2023 and 2022, 86% and 95% respectively, where were both of the Company's accounts receivable (including related parties) were from the top 10 customers. Although there is a potential for concentration of credit risk, the Company routinely assesses the collectability of the accounts receivable and makes a corresponding allowance for doubtful accounts.

(c) Credit risk of receivables and debt securities

For credit risk exposure information on notes and accounts receivables, please refer to note 6(5). Other financial assets measured at amortized cost include other receivables and investments and ordinary corporate bonds. For the debt securities measured at amortized cost, please refer to note 6(4).

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to note 4(6) regarding how the Company determines whether the financial instruments are considered to be low credit risk).

B. Liquidity risk

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

	Carrying Amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years or more
December 31, 2023						
Non-derivative financial liabilities						
Short-term borrowings	$ 5,400,000	(5,407,940)	(5,407,940)	-	-	-
Notes and accounts payable (including related parties)	719,691	(719,691)	(719,691)	-	-	-
Payroll and bonus payable	1,888,158	(1,888,158)	(1,888,158)	-	-	-
Dividends payable	2,051,776	(2,051,776)	(2,051,776)	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	62,555	(62,555)	(62,555)	-	-	-
Current and non-current lease liabilities	100,378	(107,602)	(16,241)	(16,041)	(20,330)	(54,990)
	$ 10,222,558	**(10,237,722)**	**(10,146,361)**	**(16,041)**	**(20,330)**	**(54,990)**
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 3,150,000	(3,155,231)	(3,155,231)	-	-	-
Notes and accounts payable (including related parties)	913,630	(913,630)	(913,630)	-	-	-
Payroll and bonus payable	1,508,268	(1,508,268)	(1,508,268)	-	-	-
Dividends payable	1,875,909	(1,875,909)	(1,875,909)	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	61,180	(61,180)	(61,180)	-	-	-
Current and non-current lease liabilities	125,617	(134,210)	(15,555)	(15,492)	(30,886)	(72,277)
Derivative financial liabilities						
Swap exchange contracts						
Outflows	1,219	(115,739)	(115,739)	-	-	-
Inflows	-	114,520	114,520	-	-	-
	$ 7,635,823	**(7,649,647)**	**(7,530,992)**	**(15,492)**	**(30,886)**	**(72,277)**

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

C. Currency risk

(a) Exposure to foreign currency risk

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

		December 31, 2023	
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary Items			
USD	$ 20,738	30.705	636,760
JPY	9,156	0.2172	1,989
EUR	7	33.98	238
CNY	2,886	4.327	12,488
Investment accounted for equity method			
USD	42,015	30.705	1,272,179
EUR	8,619	33.98	293,475
Financial liabilities			
Monetary Items			
USD	21,985	30.705	675,049
JPY	16,296	0.2172	3,539
EUR	71	33.98	2,413
CNY	2,343	4.327	10,138

		December 31, 2022	
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary Items			
USD	$ 45,678	30.71	1,402,771
JPY	28,244	0.2324	6,564
EUR	3,574	32.72	116,941
Investment accounted for equity method			
USD	36,387	30.71	1,357,473
EUR	11,668	32.72	381,745

	December 31, 2022		
	Foreign currency	Exchange rate	NTD
Financial liabilities			
Monetary Items			
USD	20,538	30.71	630,722
JPY	27,921	0.2324	6,489
EUR	75	32.72	2,454
CNY	3,275	4.408	14,436
Non-monetary ltems			
USD	3,500	32.72	Note

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

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, and accounts payable that are denominated in foreign currency. A weakening (strengthening) of 1% of the NTD against the USD, JPY and EUR, as of December 31, 2023 and 2022, would have increased or decreased the net income before income tax by $397 thousand and $8,722 thousand, respectively. The analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(c) Foreign exchange gain and losses on monetary exchange

The exchange rate information and the exchange gain or loss (including realized and unrealized) of the Company's monetary items converted into functional currency (i.e. the Company's expression currency) were as follows:

	2023		2022	
	Foreign exchange gains (losses)	Average rate	Foreign exchange gains (losses)	Average rate
USD	$ 5,308	30.705	110,268	29.8489
EUR	7,294	33.98	8,295	31.351
JPY	49	0.2172	231	0.2272
CHF	17	36.485	18	31.19
RMB	4	4.327	374	4.4218
	$ 12,672		119,186	

D. Interest rate analysis

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

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

If the interest rate had increased or decreased by 0.25%, the Company's net income before income tax would have decreased or increased by $13,065 thousand and increased or decreased by $6,835 thousand, for the years ended December 31, 2023 and 2022, respectively, assuming all other variable factors remain constant. This is mainly due to the Company's bank deposits and borrowings with variable rates.

	For the years ended December 31,			
	2023		2022	
Prices of securities on the reporting date	**Other comprehensive income after tax**	**Net Income**	**Other comprehensive income after tax**	**Net Income**
Increasing 5%	$ 32,067	-	-	-
Decreasing 5%	(32,067)	-	-	-

F. Fair value of financial instruments

(a) Fair value hierarchy

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

	December 31, 2023				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Stock listed in domesic market	$ 641,250	641,250	-	-	641,250
Unquoted equity measured at fair value	80	-	-	80	80
Subtotal	**$ 641,330**	**641,250**	**-**	**80**	**641,330**

	December 31, 2023				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 186,316	-	-	-	-
Notes and accounts receivable (including related parties)	1,951,308	-	-	-	-
Other financial assets－non-current	55,561	-	-	-	-
Subtotal	**$ 2,193,185**	**-**	**-**	**-**	**-**
Financial liabilities measured with amortized costs					
Short-term borrowings	$ 5,400,000	-	-	-	-
Accounts payable (including related parties)	719,691	-	-	-	-
Lease liabilities-current and non-current	100,378	-	-	-	-
Subtotal	**$ 6,220,069**	**-**	**-**	**-**	**-**

	December 31, 2022				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 416,214	-	-	-	-
Financial assets measured at amortized cost－current	331,609	-	331,609	-	331,609
Notes and accounts receivable (including related parties)	1,933,853	-	-	-	-
Other financial assets－current and non-current	46,893	-	-	-	-
Subtotal	**$ 2,728,569**	**-**	**331,609**	**-**	**331,609**
Financial liabilities at fair value through profit or loss					
Forward exchange contracts	**$ 1,219**	**-**	**1,219**	**-**	**1,219**
Financial liabilities measured with amortized costs					
Short-term borrowings	$ 3,150,000	-	-	-	-
Accounts payable (including related parties)	913,630	-	-	-	-
Lease liabilities-current and non-current	125,617	-	-	-	-
Subtotal	**$ 4,189,247**	**-**	**-**	**-**	**-**

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

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

Financial assets measured at amortized cost

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

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

i. Non-derivative financial instruments

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

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

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

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

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

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

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

ii. Derivative financial instruments

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

(d) Reconciliation of Level 3 fair value

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

	Financial assets measured at fair value through other comprehensive income
Balance at January 1, 2023	$ -
Additions in investment	80
December 31, 2023	**$ 80**

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

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

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

The technology that the company used for the Level 3 fair value based on the inputs to the valuation was comparable listed companies approach. The measurement for fair value of investee was based on its operation and similar market conditions.

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

(25) Financial risk management

A. Overview

The financial instrument that the Company is using is exposed to the following risks:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Company’ s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying parent-company-only financial statements.

B. Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The board is responsible for developing and monitoring Company’ s risk management policies. Internal auditors assist the Board of Directors to monitor and review the risk management control and internal procedures regularly and report them to the Board of Directors.

The Company’s risk management policy is established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and the compliance with risk limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company’ s operations. Also, develop a disciplined and constructive environmental control through training, management standards, and operating procedures in order to help all employees understand their roles and obligations.

The Company’ s audit Committee oversees how management monitors compliance with the Company’ s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, and the results of which are reported to the audit committee.

C. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and investments in debt securities.

(a) Accounts receivables and other receivables

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company' s standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

(b) Investment

The credit risk exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Company' s finance department. As the Company deals with banks, financial institutions, and other external parties with good credit standing, corporate organization and government agencies which are graded above par level, management believes that the Company do not have compliance issues and no significant credit risk.

(c) Guarantee

According to the Company' s policy, the Company can only provide endorsements for companies with business dealing, the companies directly or indirectly owned more than 50% shares with voting right by the Company, or the companies directly or indirectly owned more than 50% shares with voting right of the Company. As of December 31, 2023 and 2022 the Company did not provide any endorsement guarantees except to its subsidiaries.

D. Liquidity risk

There is no liquidity risk of being unable to raise capital to settle contract obligations since the Company has sufficient capital and working capital to fulfill contract obligations.

Loans and borrowings from the bank form an important source of liquidity for the Company. As of December 31, 2023 and 2022, the Company's unused credit lines were $10,709,615 thousand and $11,585,930 thousand, respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Company, primarily the New Taiwan Dollar (NTD). These transactions are denominated in NTD, USD, JPY and EUR.

Interest is denominated in the currency used in borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company, primarily NTD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when it is necessary to address short-term imbalances.

(b) Interest rate risk

The Company holds assets and liabilities with floating interest rates, resulting in a cash flow interest rate risk exposure.

(c) Equity instrument

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading.

Please refer to note 6(24) for the risk of change.

(26) Capital management

The Board of Directors' policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, capital surplus, retained earnings and other equity interests of the Company. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary stockholders.

The Company's debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 15,299,106	13,145,264
Less: cash and cash equivalents	(186,316)	(416,214)
Net debts	**$ 15,112,790**	**12,729,050**
Total equity	**$ 31,742,339**	**31,872,572**
Debt-to-equity ratio	**47.61%**	**39.94%**

The increase in short-term borrowings resulted in the debt-to-equity ratio to increase as at December 31, 2023.

(27) Cash flow information

The Company's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022 were as follows:

For acquiring right of use assets by leasing, please refer to note 6(9).

Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Others	December 31, 2023
Short-term borrowings	$ 3,150,000	2,250,000	-	5,400,000
Lease liabilities	125,617	(32,077)	6,838	100,378
Guarantee deposit received	31,060	52,693	-	83,753
Total liabilities from financing activities	**$ 3,306,677**	**2,270,616**	**6,838**	**5,584,131**

	January 1, 2022	Cash flows	Others	December 31, 2022
Short-term borrowings	$ 1,495,303	1,654,697	-	3,150,000
Lease liabilities	152,791	(31,202)	4,028	125,617
Guarantee deposit received	1,051	30,009	-	31,060
Total liabilities from financing activities	**$ 1,649,145**	**1,653,504**	**4,028**	**3,306,677**

7. Related-party transactions:

(1) Names and relationship with related parties

The subsidiaries and other parties involved in the transaction of the Company during the period cover in the parent-company-only financial statements were as follows:

Names of related parties	Relationship with the Company
Sino Silicon Technology Inc. (SSTI)	Subsidiary directly held by the Company
GlobalWafers	Subsidiary directly held by the Company
Aleo Solar GmbH (Aleo Solar)	Subsidiary directly held by the Company
Aleo Solar Distribuzione Italia S.r.l (Aleo Solar Italia)	Subsidiary indirectly owned by the Company
SAS Sunrise Inc.	Subsidiary directly held by the Company
SAS Sunrise Pte. Ltd.	Subsidiary indirectly owned by the Company(Note 3)
Sulu Electric Power and Light Inc. (Sulu)	Subsidiary indirectly owned by the Company (Note 1)
AMLED International Systems Inc. (AMLED)	Subsidiary indirectly owned by the Company (Note 2)
Taiwan Speciality Chemicals Corporation (TSCS)	Subsidiary directly hold by the Company
SAS Capital Co., Ltd. (SSH)	Subsidiary directly held by the Company
Sustainable Energy Solution Co., Ltd. (SES)	Subsidiary directly hold by the Company

Names of related parties	Relationship with the Company
Sunrise PV Electric Power Five Co (Sunrise PV Five)	Subsidiary indirectly held by the Company
Sunrise PV Three Co., Ltd. (Sunrise PV Three)	Subsidiary directly owned by the Company
Sunrise PV Four Co., Ltd. (Sunrise PV Four)	Subsidiary indirectly owned by the Company
GlobalWafers Japan Co., Ltd. (GWJ)	Subsidiary indirectly owned by the Company
Topsil GlobalWafers A/S (Topsil A/S)	Subsidiary indirectly owned by the Company
GWC Capital Co., Ltd(GWCH)	Subsidiary indirectly owned by the Company
Kunshan Sino Silicon Technology Co., Ltd. (SST)	Subsidiary indirectly owned by the Company
Kunshan SST Trading Co., Ltd. (KST)	Subsidiary indirectly owned by the Company
GlobiTech Incorporated.(GTI)	Subsidiary indirectly owned by the Company
GlobalWafers Singapore Pte. Ltd. (GWS)	Subsidiary indirectly owned by the Company
GlobalWafers B.V. (GWBV)	Subsidiary indirectly owned by the Company
MEMC Japan Ltd. (MEMC Japan)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials SpA (MEMC SpA)	Subsidiary indirectly owned by the Company
MEMC Korea Company (MEMC Korea)	Subsidiary indirectly owned by the Company
MEMC LLC (MEMC LLC)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials, Sdn Bhd (MEMC Sdn Bhd)	Subsidiary indirectly owned by the Company
Actron	Subsidiary directly owned by the Company (Note 6)
CWT	Subsidiary indirectly owned by the Company (Note 5)
Accu Solar	An associate of the Company
Advanced Wireless	Subsidiary directly owned by the Company (Note 4)

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

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

Note 3: SAS Sunrise Pte. Ltd. completed the liquidation process in 2022.

Note 4: Advanced Wireless became a subsidiary on June 20, 2022.

Note 5: CWT became a indirectly owned subsidiary on November 1, 2023.

Note 6: Actron became a subsidiary on October 2, 2023.

(2) Significant transactions with related parties

A. Sales

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

		2023	2022
Subsidiary－GlobalWafers	$	1,564,996	1,725,101
Subsidiary－Sunrise PV Four		448,756	302,603
Subsidiaries		54,568	10,747
Associates		251	-
	$	**2,068,571**	**2,038,451**

In 2023 and 2022, the Company's processing revenue from related parties was $43,794 thousand and $52,234 thousand, respectively, recognized in the reduction of operating costs.

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

In 2023 and 2022, the credit terms for third parties were receipt in advance to 60 days from the end of next month. While those for related parties were 45 days of current month to 60 days after month end and receipt in advance to 30 days of current month to 60 days after month end, respectively.

B. Purchase and outsourced processing

The amounts of purchase and outsourced processing from the related party were as follows:

		2023	2022
Subsidiary	$	236,198	102,317
Associates		-	1,469
	$	**236,198**	**103,786**

The prices of purchases and outsourced processing were determined by market rates.

In 2023 and 2022, the payment terms to third parties were prepayment to 60 days after month end. In contrast, those to related parties were 60 days after month end and 30 days to 60 days after month end.

C. Receivables from related parties

The Company's receivables from related parties were as follows:

Items	Categories		December 31, 2023	December 31, 2022
Receivables from related parties	Subsidiaries-GlobalWafers	$	64,599	20,792
Receivable from related parties	Subsidiaries-Sunrise PV Four		67,925	40,539
Receivables from related parties	Subsidiaries- Others		1,777	355
		$	134,301	61,686

In order to maintain a stable supply of raw materials required for production, the related parties successively signed short-term and long-term supply contracts with the Company, and the details of the receipts in advance to the related parties (recognized as contract liabilities - current / non-current) were as follows:

		December 31, 2023	December 31, 2022
Subsidiaries－GlobalWafers	$	59,709	432,419

D. Accounts payable to related parties

The payables to related parties were as follows:

Items	Categories		December 31, 2023	December 31, 2022
Account payable to related parties	Subsidiaries-GlobalWafers	$	5,627	6,966

E. Loan to related parties

The actual loan to the related parties is as follows:

	2023			
Related parties		Balance at December 31, 2023	Range of interest rabes at the year end	Interest income
Subsidiaries	$	1,230,910	1.5%~5.0%	17,821

	2022			
Related parties		Balance at December 31, 2022	Range of interest rabes at the year end	Interest income
Subsidiaries	$	1,020,069	1.5%~4.0%	17,407

For the borrowings of the subsidiaries from the Company, the interest is based on the average interest rate of the related parties borrowing from financial institutions in the year when they receive the loan, and all of above borrowings are unsecured loans. As of December 31, 2023 and 2022, interest receivable were 6,260 thousand and $7,474 thousand, respectively, recognized in receivables from related parties.

As of December 31, 2023 and 2022, the subsidiaries involved in the aforementioned transaction capitalized the interest expenses, and the unrealized interests were $2,944 thousand and $3,182 thousand respectively, which were recognized in the investments accounted for using equity method.

F. Endorsements/guarantees

The Company's endorsements and guarantees for the related party were summarized as follows:

Categories	2023		2022	
Subsidiaries	NTD	2,428,667	NTD	1,395,211
Subsidiaries	USD	46,000	USD	46,000

Categories	December 31, 2023		December 31, 2022	
Subsidiaries	NTD	2,428,667	NTD	1,300,591
Subsidiaries	USD	46,000	USD	46,000

The Company charged the handling fee of endorsements and guarantees from related parties. As of December 31, 2023 and 2022, the interest income were $3,916 thousand and $7,562 thousand, respectively.

G. Corporate bonds

As of December 31, 2023 and 2022, the interest income were $2,730 thousand and $6,600 thousand, respectively. As of December 31, 2023 and 2022, the accumulated investment cost and interests receivable were $0 thousand and $331,609 thousand, respectively, and were recognized in financial assets measured at amortized cost－current.

H. Payment and advances from related parties

The receivables from related parties and payables to related parties generated from material purchases, insurance and utilities payments as of December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	$ 177	166
Subsidiaries	(3)	(60)
Associates	-	1,617
Associates	-	(14)
	$ 174	**1,709**

I. Transactions of property, plant and equipment

Disposition of property, plant and equipment

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

	2023		2022	
	Disposal price	**Receivable from related parties**	**Disposal price**	**Receivable from related parties**
Subsidiary	$ -	-	320	-

The realized gain in 2023 and 2022 were $8,990 thousand and $8,752 thousand, respectively. As of December 31, 2023 and 2022, the deferred gain from disposals of property, plant and equipment to related parties was $35,726 thousand and $44,716 thousand, respectively, recognized in the investments accounted for using equity method.

J. Others

(a) The Company's direct sales to the related parties is regarded as the transfer of inventories, therefore, the revenue and cost of goods sold are not recognized in the parent-company-only financial statements. As of December 31, 2023 and 2022, the deferred revenue arising from the above transactions were $110,455 thousand and $24,327 thousand, respectively, recognized in the investments accounted for using equity method.

In addition, as of December 31 2023 and 2022, the sales of raw materials to the subsidiaries is regarded as the transfer of inventories, and the gross loss of $54,591 thousand and $288,457 thousand, respectively, were deferred and recognized in the investments accounted for using equity method.

(b) The Company provided other services for related parties, including service support, human resources and plant lease, etc. Details of related other income and receivables from related parties were as follows:

Categories	**2023**	**2022**
Subsidiaries	$ 107,711	81,910
Associates	29,230	43,556
	$ 136,941	125,466

Items	**Categories**	**December 31, 2023**	**December 31, 2022**
Receivables from related parties	Subsidiaries	$ 38,137	34,026
Receivables from related parties	Associates	-	3,448
		$ 38,137	37,474

The Company provided the related parties for other services, including service revenue, human resources. The amount was $42,940 thousand and recognized in the reduction of costs and expenses in 2023.

As of December 31, 2023 and 2022, the Company's receipts in advance from subsidiaries for the service amounted to $12,364 thousand and $2,001 thousand, respectively, which were recognized in other current liabilities.

(c) The related parties charged the Company for their services, including administrative assistance, technical service, legal work appointment, and plant lease, etc. Details of related other expenses and payables to related parties were as follows:

Categories	2023	2022
Subsidiaries	$ 816	10,725
Associates	-	43
	$ 816	10,768

Items	Categories	December 31, 2023	December 31, 2022
Accounts payable to related parties	Subsidiaries	$ 304	294

(3) Key management personnel compensation

The remuneration to key management included:

	2023	2022
Short-term employee benefits	$ 245,295	222,393
Post-employment benefits	377	320
	$ 245,672	222,713

8. Pledged assets:

The carrying values of pledged assets were as follows:

Asset name	Pledge or Mortgage underlying subject	December 31, 2023	December 31, 2022
Time deposits and Refundable deposits (recognized in other financial assets－non-current)	Court guarantee	$ 11,181	19,637
Time deposits (recognized in other financial assets－non-current))	Guarantee for the lease contract with the Hsinchu Science Park Bureau	11,113	11,113
Time deposits (recognized in other financial assets－non-current)	Performance bonds for Government grant provided to technology projects	18,362	4,952
Time deposits (recognized in other financial assets－non-current)	Grants of SMECF	3,000	-
		$ 43,656	35,702

9. Commitments and contingencies:

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

(1) Significant unrecognized contractual commitments

A. The purchase amounts for future delivery from suppliers under the existing agreements and a new agreement signed with Hemlock Semiconductor Pte. Ltd. (hereinafter referred to as Hemlock) in July, 2021, as of December 31, 2023 and 2022, amounted to $19,021,230 thousand and $20,551,865 thousand, respectively.

B. In response to the long-term purchase contract referred above, the Company has signed silicon wafer long-term sales contracts successively with the customers since 2005. These companies agree to pay the non-refundable funds to the Company. The two parties agreed to have silicon wafers sold in accordance with the agreed quantity and price. If the delivery has not been made in compliance with the contract signed, a sales discount or an amount equivalent to 1.5-4 times of the advance sales receipts from customers as remuneration should be granted. If the delay of shipment has not been resolved for more than three months, the outstanding pre-payment should be refunded. In addition, in response to the price decline arising from the falling demand, solar energy battery customers and the Company will negotiate the selling price and adjusting the average selling price in accordance with market conditions.

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

(Unit: currency in thousands)

	December 31, 2023	December 31, 2022
USD	$ 19,165	21,865
EUR	$ 13,889	13,066

C. As of December 31, 2023 and 2022, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to 934,262 thousand and $530,059 thousand, respectively.

D. As of December 31, 2023 and 2022, the total amount of promissory notes deposited by the Company at the bank for acquiring bank financing were 16,569,275 thousand and 14,149,520 thousand, respectively.

E. As of December 31, 2023 and 2022, a guarantee letter for the Customs Administration and Research and Development which the Group requested a bank to issue amounted 81,200 thousand and 48,500 thousand, respectively.

10. Losses Due to Major Disasters: None.

11. Subsequent Events: None.

12. Others:

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

By function / By item	For the years ended December 31, 2023			2022		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	669,652	391,193	1,060,845	659,647	430,079	1,089,726
Labor and health insurance	46,146	13,185	59,331	46,558	10,948	57,506
Pension	18,875	4,765	23,640	19,453	4,388	23,841
Director’s compensation	-	58,080	58,080	-	57,585	57,585
Other employee benefits expenses	24,046	5,901	29,947	30,476	6,910	37,386
Depreciation	469,527	112,905	582,432	378,654	83,064	461,718
Amortization	144	6,576	6,720	72	876	948

As of December 31 2023 and 2022, additional information on the number of employees and employee benefit costs were as follows:

	2023	2022
The number of employees	681	710
The number of directors who are not holding as a position of employee	9	8
Average of employee benefits expense	$ 1,747	1,721
Average of salaries expense	$ 1,579	1,552
The average of salary adjustment rate	2%	
Supervisor’s compensation	-	-

The Company’ s salary and remuneration policy (including directors, supervisors, managers and employees) are as follows:

(1) Remuneration to directors:

The director’ s remuneration is based on the Company’ s profitability of the year. The amount of allocation of remuneration to the independent directors is based on their degree of participation and contribution of the Company’s operations.

Besides the salary, the Company may also distribute this remuneration based on the profitability and the degree of participation and contribution of independent directors to the Company's operations.

The standard of above-mentioned remuneration to directors (including independent directors) shall be proposed by the Remuneration Committee; thereafter, to be submitted to the Board of Directors for resolution.

(2) Remuneration to employees:

According to the Company's salary policy and regulations, the remuneration is based on each employee's title, level, academic experience, professional ability, responsibilities, etc.

In accordance with the Company's "Employee salary and remuneration allocation regulations", when the Company have annual profits, the employee remuneration rewards will be allocated based on the employee's level, title and performance.

(3) Remuneration to managers:

The Company evaluates its managers' remuneration with reference to the Taiwan market, the salary level of competitors in the same industry, the Company's salary policy and manager's title, level, academic experience, professional ability and responsibilities, to grant a reasonable basic salary to each manager. After presenting the results to the salary committee for discussion, the resolution will be submitted to the Board of Directors for approval.

In accordance with the Company's "Employee salary and remuneration allocation regulations", when the Company has annual profits, the remuneration rewards to managers will be allocated based on their level, title and performance.

Based on the overall performance, the chairman proposes to the Remuneration Committee the allocation of rewards based on each manager's contribution to the Company's entire operation results. The manager's remuneration will be reported to the Remuneration Committee for discussion and resolution; thereafter; to be submitted to the Board of Directors for approval.

13. Other disclosures:

(1) Information on significant transactions:

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

(i) Loans to other parties: Please refer to Table 1.

(ii) Guarantees and endorsements for other parties: Please refer to Table 2.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.

(iv) Individual securities acquired or disposed of with accumulated amounts exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 4.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 5.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 6.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 7.

(ix) Trading in derivative instruments: Please refer to note 6(2).

(2) Information on investees: Please refer to Table 8.

(3) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products and other information: Please refer to Table 9(1).

(ii) Limitation on investment in Mainland China: Please refer to Table 9(2).

(iii) Significant transactions:

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

(4) Major shareholders:

None of the shareholders hold more than 5% of outstanding shares.

14. Segment information:

Please refer to consolidated financial statements for the year ended December 31, 2023.

Sino-American Silicon Products Inc.
Loans to other parties
For the year ended December 31, 2023

Table 1 (In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2, 3)	Maximum limit of fund financing (Note 2, 3)
													Item	Value		
0	Sino-American Silicon Products Inc.	Sulu	Receivable from related parties	Yes	1,783,375	1,688,755	61,410	5%	2	-	Operating capital	-	-	-	12,696,936	12,696,936
0	Sino-American Silicon Products Inc.	Sunrise PV Three	Receivable from related parties	Yes	100,000	100,000	31,500	2.5%	2	-	Operating capital	-	-	-	12,696,936	12,696,936
0	Sino-American Silicon Products Inc.	SSH	Receivable from related parties	Yes	1,000,000	1,000,000	563,000	1.5%	2	-	Operating capital	-	-	-	12,696,936	12,696,936
0	Sino-American Silicon Products Inc.	Aleo Solar GmbH	Receivable from related parties	Yes	173,550	169,900	-	4.5%	2	-	Operating capital	-	-	-	12,696,936	12,696,936
0	Sino-American Silicon Products Inc.	Sunrise PV Four	Receivable from related parties	Yes	500,000	500,000	360,000	1.8%	2	-	Operating capital	-		-	12,696,936	12,696,936
0	Sino-American Silicon Products Inc.	Sunrise PV Five	Receivable from related parties	Yes	200,000	200,000	15,000	1.8%	2	-	Operating capital	-		-	12,696,936	12,696,936
0	Sino-American Silicon Products Inc.	Crystalwise technology	Receivable from related parties	Yes	300,000	300,000	200,000	1.8%	2	-	Operating capital	-		-	12,696,936	12,696,936
1	SSTI	Sulu	Receivable from related parties	Yes	464,002	439,389	439,389	0%	2	-	Operating capital	-	-	-	2,318,782	2,318,782
1	SSTI	AMLED	Receivable from related parties	Yes	370,099	350,467	350,467	0%	2	-	Operating capital	-	-	-	2,318,782	2,318,782
2	SAS Sunrise Inc	Sulu	Receivable from related parties	Yes	345,326	327,008	327,008	0%	2	-	Operating capital	-	-	-	523,179	523,179

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2, 3)	Maximum limit of fund financing (Note 2, 3)
													Item	Value		
3	Global Wafers	Sunrise PV Five	Receivable from related parties	Yes	100,000	100,000	-	1.5%	2	-	Operating capital	-	-	-	26,579,826	26,579,826
3	Global Wafers	Sunrise PV Four	Receivable from related parties	Yes	400,000	400,000	-	1.5%~1.6%	2	-	Operating capital	-	-	-	26,579,826	26,579,826
3	Global Wafers	Crystalwise technology	Receivable from related parties	Yes	350,000	350,000	-	1.8%	2	-	Operating capital	-		-	26,579,826	26,579,826
4	GWJ	MEMC Japan	Receivable from related parties	Yes	15,508,080	15,508,080	11,120,640	0.56545%	2	-	Operating capital	-	-	-	17,968,378	17,968,378
5	MEMC SpA	GWS	Receivable from related parties	Yes	2,707,380	2,650,440	1,353,177	7.475%	2	-	Operating capital	-	-	-	11,363,198	11,363,198
5	MEMC SpA	GWBV	Receivable from related parties	Yes	1,791,350	-	-	-	2	-	Operating capital	-	-	-	11,363,198	11,363,198
6	GWS	GWBV	Receivable from related parties	Yes	1,250,200	1,228,200	1,039,241	6.04%	2	-	Operating capital	-	-	-	33,068,741	33,068,741
6	GWS	GW GmbH	Receivable from related parties	Yes	4,338,750	4,247,500	4,247,500	2.7%	2	-	Operating capital	-	-	-	33,068,741	33,068,741
6	GWS	GlobalWafers	Receivable from related parties	Yes	9,727,500	9,211,500	7,676,250	5.81%~ 6.08%	2	-	Operating capital	-	-	-	33,068,741	33,068,741
7	GTI	MEMC LLC	Receivable from related parties	Yes	5,836,500	5,526,900	-	6.166%	2	-	Operating capital	-	-	-	13,353,433	13,353,433
7	GTI	GlobalWafers	Receivable from related parties	Yes	1,501,750	-	-	-	2	-	Operating capital	-	-	-	13,353,433	13,353,433
8	GWBV	GW GmbH	Receivable from related parties	Yes	3,745,550	2,038,000	1,699,000	2.7%	2	-	Operating capital	-		-	51,221,228	51,221,228
9	SSKT	MHTM	Receivable from related parties	Yes	8,028	-	-	-	1	55,729	Bussiness transaction	-		-	55,729	152,070
9	SSKT	MHTM	Receivable from related parties	Yes	61,908	60,578	60,578	4.35%	2	-	Operating capital	-		-	152,070	152,070
10	SST	SSKT	Receivable from related parties	Yes	103,917	101,685	69,232	4.35%	2	-	Operating capital	-	-	-	2,946,199	2,946,199

Note 1: The nature of financing purposes:

(1) Represents entities with business transaction with the Company.

(2) Represents where an inter-company or inter firm short-term financing facility is necessary.

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

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

Note 3: (1) For the Company' s loan of funds to those having business transactions, the total loan is limited to 40% of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 40% of the net worth of the company that lends loan; the fund lendings between the foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company, or from the foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company to the Company are not subject to the previous provision of net worth and not subject to the one year limit of the term of funds in Article 4, Paragraph 1, but should still specify in its internal operating procedures for fund-lending limit and period.

(2) For GlobalWafers and its subsidiaries lend funds to companies with business contacts, the total amount of the loan shall not exceed 40% of the net worth of the company that lent the funds; for fund loans to companies that need short-term financing, the total amount of the loan shall not exceed 40% of the company's net worth; for GlobalWafers directly and indirectly holds 100% of the voting shares in domestic companies engaged in inter-company capital lending, or GlobalWafers directly and indirectly holds 100% of the voting rights in domestic companies, the company's capital lending to GlobalWafers shall not exceed 40% of the company's net worth; for foreign companies that directly and indirectly hold 100% of the voting rights to engage in capital loans to GlobalWafers are not subject to the restrictions on net worth in the preceding paragraph and are not subject to the one-year limitation of the capital loan period in Paragraph 1 of Article 4, but they should still be The internal operating procedures set the limits and deadlines for capital loans.

(3) For loan of funds of SSTI and SAS Sunrise Inc. to those having business transactions, the total loan is limited to 2 times of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 2 times of the net worth of the company that lends loan; for loan of funds among foreign companies that the company that lends loan directly and indirectly holds 100% of the voting shares, the total loan is limited to 40% of the net worth of the company that lends loan.

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

Sino-American Silicon Products Inc.

Guarantees and endorsements for other parties

For the year ended December 31, 2023

Table 2 (In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company (Note 2)	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period (Note 3, 7)	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary (Note 3, 7)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	Sino American Silicon Products Inc.	Sulu	2	1,545,758 (Note 6)	1,491,550 (Note 5)	1,412,430 (Note 5)	749,663 (Note 5)	-	4.45 %	1,545,758 (Note 6)	Y (Note 4)	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Four	2	31,742,339	170	170	170	-	-	31,742,339	Y	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Three	2	31,742,339	421	421	421	-	-	31,742,339	Y	N	N
0	Sino American Silicon Products Inc.	SSH	2	31,742,339	2,300,000	2,300,000	-	-	7.25 %	31,742,339	Y	N	N
0	Sino American Silicon Products Inc.	SES	2	31,742,339	128,076	128,076	121,080	-	0.40 %	31,742,339	Y	N	N
1	GlobalWafers	GW GmbH	2	199,348,695	8,677,500	8,495,000	7,853,797	-	12.78 %	199,348,695	N	N	N
1	GlobalWafers	GWH	2	199,348,695	1,300,000	1,100,000	-	-	1.66 %	199,348,695	N	N	N
1	GlobalWafers	Sunrise PV Four	2	199,348,695	100,000	100,000	33,600	-	0.15 %	199,348,695	N	N	N
1	GlobalWafers	Sunrise PV Five	2	199,348,695	79,800	79,800	79,800	-	0.12 %	199,348,695	N	N	N
1	GlobalWafers	GWS	2	199,348,695	5,498,818	5,261,806	5,169,691	-	7.92 %	199,348,695	N	N	N
1	GlobalWafers	MEMC SpA	2	199,348,695	3,054,480	2,990,240	2,990,240	-	4.5 %	199,348,695	N	N	N
1	GlobalWafers	GWA	2	199,348,695	1,162,194	1,162,194	-	-	1.75 %	199,348,695	N	N	N

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period (Note 3, 7)	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary (Note 3, 7)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
2	GTI	MEMC LLC	2	66,767,165	3,242,500	3,070,500	560,366	-	22.99 %	66,767,165	N	N	N
3	SST	KST	2	14,730,995	1,415,380	1,377,807	1,377,807	-	46.77 %	14,730,995	N	N	Y
4	GWS	GWA	2	165,343,705	15,627,500	15,352,500	7,763,415	-	46.43 %	165,343,705	N	N	N

Note 1: The characters of guarantees and endorsements are coded as follows:
(1) The issuer is coded "0".
(2) The investee is coded consecutively beginning from "1" in the order presented in the table above.

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

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

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

Note 5: Sulu shares with the company a quota of USD 10,000 thousand and Sulu’s individual quota is USD 36,000 thousand. The Company resolved on October 14, 2016 by the Board of Directors to repay part of the loan, and reduce the endorsements/guarantees quota to USD 46,000 thousand. The actual disbursement amount was reduced to USD 24,415 thousand.

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

Sino-American Silicon Products Inc.

Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures)

December 31, 2023

Table 3 (In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Note
				Shares/Units (thousand)	Carrying value	Percentage of ownership (%)	Fair value	
Sino American Silicon Products Inc.	Stock of Powertec Energy Corporation	None	Financial assets at fair value through other omprehensive income	30,410	-	2.14 %	-	
Sino American Silicon Products Inc.	Stock of Giga Epitaxy Technology Corp	None	Financial assets at fair value through other comprehensive income	531	-	1.61 %	-	
Sino American Silicon Products Inc.	Stock of Big Sun	None	Financial assets at fair value through other comprehensive income	15,000	-	3.43 %	-	
Sino American Silicon Products Inc.	Stock of Billion Watts Co., Ltd.	None	Financial assets at fair value through other comprehensive income	3	80	0.02 %	80	
Sino American Silicon Products Inc.	Stock of Billion Electric Co., Ltd.	None	Financial assets at fair value through other comprehensive income	15,000	641,250	13.00 %	641,250	
SSTI	Stock of SILFAB SPA	None	Financial assets at fair value through profit or loss－non-current	300	369,736	15.00 %	369,736	
SSTI	Stock of Clean Venture 21 Corporation	None	Financial assets at fair value through other comprehensive income	10	-	7.20 %	-	
SSH	NextDrive Holdings. Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,021	105,768	5.40 %	105,768	
SSH	Transphorm Inc.	None	Financial assets at fair value through other comprehensive income	4,750	532,348	7.52 %	532,348	
SSH	SKY TECH Inc.	None	Financial assets at fair value through other comprehensive income	118	27,789	0.19 %	27,789	
SSH	TAISC Materials Corp.	None	Financial assets at fair value through other comprehensive income	200	20,000	0.40 %	20,000	
SSH	Ancora Semiconductors Inc.	None	Financial assets at fair value through other comprehensive income	3,400	76,772	6.16 %	76,772	
SSH	ANJET Corporation	None	Financial assets at fair value through other comprehensive income	600	38,136	4.33 %	38,136	
GlobalWafers	CDIB Capital Growth Partners L.P.	None	Financial assets at fair value through profit or loss－non-current	-	180,368	3.85 %	180,368	

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Note
				Shares/Units (thousand)	Carrying value	Percentage of ownership (%)	Fair value	
GlobalWafers	Siltronic AG	None	Financial assets at fair value through profit or loss－non-current	650	1,953,595	2.17 %	1,953,595	
GW GmbH	Siltronic AG	None	Financial assets at fair value through profit or loss－non-current	3,101	9,319,118	10.34 %	9,319,118	
GWBV	Siltronic AG	None	Financial assets at fair value through profit or loss－non-current	350	1,051,921	1.17 %	1,051,921	
GlobalWafers	WT Microelectronics Co., Ltd. Corporation	None	Financial assets at fair value through other comprehensive income	1,944	218,700	0.19 %	218,700	
SST	Foreign securities	None	Financial assets at fair value through other comprehensive income	16	4,571	0.04 %	4,571	
GWH	Foreign Privately Securities	None	Financial assets at fair value through profit or loss－non-current	-	62,497	1.93 %	62,496	
Actron	Sino-American Silicon Products Inc.	None	Financial assets at fair value through other comprehensive income -non-current	2,000	392,000	0.34 %	392,000	Note
Actron	Phoenix Pioneer Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income -non-current	15,265	268,055	5.13 %	268,055	
Actron	ANJET Corporation	None	Financial assets at fair value through other comprehensive income -non-current	3,108	187,934	22.41 %	187,934	
Actron	AMED VENTURES I,L.P.	None	Financial assets at fair value through other comprehensive income -non-current	-	96,718	- %	96,718	
Actron	Super Energy Materials Inc.	None	Financial assets at fair value through other comprehensive income -non-current	1,425	22,387	5.28 %	22,387	
Mosel	ProMOS Technologies Inc.	None	Financial assets at fair value through other comprehensive income -non-current	603	11,244	1.34 %	11,244	
Mosel	Aplus Flash Technology, Inc.	None	Financial assets at fair value through other comprehensive income -non-current	1,492	-	5.28 %	-	
Mosel	Pacific Resources Corporation	None	Financial assets at fair value through other comprehensive income -non-current	37	3,875	4.88 %	3,875	
Mosel	Soft Device Inc.	None	Financial assets at fair value through other comprehensive income -non-current	7,518	-	- %	-	
Mosel	Pegasus Wireless Corp.	None	Financial assets at fair value through other comprehensive income -non-current	1,815	-	- %	-	
Mosel	NewMedia Networking Crop.	None	Financial assets at fair value through other comprehensive income -non-current	1,600	-	- %	-	

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Note
				Shares/Units (thousand)	Carrying value	Percentage of ownership (%)	Fair value	
Mosel	Aumos Technologies Inc.	None	Financial assets at fair value through other comprehensive income -non-current	1,365	-	16.24 %	-	
Mou Fu Investment	ProMOS Technologies Inc.	None	Financial assets at fair value through other comprehensive income -non-current	32	604	0.07 %	604	
Mou Fu Investment	Advanced Flash Memory Card Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income -non-current	340	-	0.41 %	-	
Mou Fu Investment	E-Soft Technologies, Inc.	None	Financial assets at fair value through other comprehensive income -non-current	201	1,183	2.37 %	1,183	
Mou Fu Investment	Harbinger III Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income -non-current	-	6	0.56 %	6	
Mou Fu Investment	Virtual Silicon Technology, Inc.	None	Financial assets at fair value through other comprehensive income -non-current	224	-	- %	-	
Mou Fu Investment	Wavesat Inc.	None	Financial assets at fair value through other comprehensive income -non-current	44	-	- %	-	
Hongwang	Sino-American Silicon Products Inc.	Parent company	Financial assets at fair value through other comprehensive income -non-current	25,050	4,909,800	4.27 %	4,909,800	Note

Note: The balance had been eliminated on December 31, 2023.

Sino-American Silicon Products Inc.

Individual securities acquired or disposed of with accumulated amounts exceeding the lower of than NT$300 million or 20% of the capital stock

For the year ended December 31, 2023

Table 4 (In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount (Note)	Shares	Amount (Note)	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
Sino American Silicon Products Inc.	Billion Electric Co,. Ltd	Financial assets at fair value through other comprehensive income	-	None	-	-	15,000	529,880	-	-	-	-	15,000	641,250
Sino American Silicon Products Inc.	Actron	Investments accounted for using equity method	-	None	20,807	1,511,495	4,128	639,832	-	-	-	-	24,935	2,040,752
Actron	Privately placed ordinary shares - Excelliance MOS Corporation	Investments accounted for using equity method	Participation in private placement	None	-	-	15,000	1,491,750	-	-	-	-	15,000	1,491,750

Note: Including gain or loss on evaluation.

Sino-American Silicon Products Inc.

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

For the year ended December 31, 2023

Table 5 (In Thousands of New Taiwan Dollars)

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

Sino-American Silicon Products Inc.

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

For the year ended December 31, 2023

Table 6 (In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Aleo Solar	Aleo Solar Italia	Indirectly held subsidiaries	Sale	(186,457)	(11) %	Net 60 days from the end of the month upon issuance of invoice	-	-	4,348	3%	Note 1
Sino American Silicon Products Inc.	Sunrise PV Four	Indirectly held subsidiaries	Sale	(448,756)	(7) %	Net 30 days from the end of the month upon issuance of invoice	-	-	67,925	4%	Note 1
GlobalWafers	Sino American Silicon Products Inc.	Directly held subsidiaries	Purchase	1,496,021	11 %	Net 30 days from the end of the next month upon issuance of invoice	-	-	(64,599)	(1)%	Note 1 and 2
GlobalWafers	GTI	Indirectly held subsidiaries	Purchase	1,607,538	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(196,784)	(2)%	Note 1
GlobalWafers	SST	Indirectly held subsidiaries	Purchase	1,580,186	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(210,360)	(2)%	Note 1
GlobalWafers	GWJ	Indirectly held subsidiaries	Purchase	7,917,996	11 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(2,114,326)	(21)%	Note 1
GlobalWafers	GWS	Indirectly held subsidiaries	Purchase	531,625	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(54,124)	(1)%	Note 1
GlobalWafers	Topsil A/S	Indirectly held subsidiaries	Purchase	1,662,216	2 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(70,914)	(1)%	Note 1
GlobalWafers	KST	Indirectly held subsidiaries	Purchase	281,853	- %	Net 45 days from the end of the month upon issuance of invoice	-	-	(33,972)	-%	Note 1
GWS	GlobalWafers	Indirectly held subsidiaries	Purchase	7,540,461	11 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(1,205,159)	(12)%	Note 1
MEMC Korea	GlobalWafers	Indirectly held subsidiaries	Purchase	1,957,166	3 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(797,032)	(8)%	Note 1
MEMC SpA	GlobalWafers	Indirectly held subsidiaries	Purchase	869,555	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(111,935)	(1)%	Note 1
GTI	GlobalWafers	Indirectly held subsidiaries	Purchase	3,160,454	4 %	Net 45 days from the end of the month upon issuance of invoice	-	-	(707,780)	(7)%	Note 1
SST	GlobalWafers	Indirectly held subsidiaries	Purchase	927,747	1 %	Net 30 days from the end of the month upon issuance of invoice	-	-	(72,499)	(1)%	Note 1

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
GWJ	GlobalWafers	Indirectly held subsidiaries	Purchase	2,752,272	4 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(837,048)	(8)%	Note 1
Topsil A/S	GlobalWafers	Indirectly held subsidiaries	Purchase	629,925	1 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(245,542)	(2)%	Note 1
Actron	GlobalWafers	Subsidiary of associates	Purchase	276,758	- %	Net 60 days from the end of the next month upon issuance of invoice	-	-	(69,934)	(1)	Note 1
MEMC Sdn Bhd	GlobalWafers	Indirectly held subsidiaries	Purchase	161,837	- %	Net 60 days from the end of the month upon issuance of invoice	-	-	(22,537)	-%	Note 1
GWS	MEMC LLC	Indirectly held subsidiaries	Purchase	2,530,359	4 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(460,299)	(5)%	Note 1
GWS	MEMC LLC	Indirectly held subsidiaries	Sale	(849,197)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	119,100	1%	Note 1
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Purchase	1,616,779	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(242,787)	(2)%	Note 1
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Sale	(542,632)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	94,999	1%	Note 1
GWS	MEMC SpA	Indirectly held subsidiaries	Purchase	4,111,645	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(579,527)	(6)%	Note 1
GWS	MEMC SpA	Indirectly held subsidiaries	Sale	(8,342,271)	(12) %	Net 60 days from the end of the month upon issuance of invoice	-	-	1,620,892	16%	Note 1
GWS	MEMC Korea	Indirectly held subsidiaries	Purchase	1,885,784	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(210,030)	(2)%	Note 1
GWS	MEMC Japan	Indirectly held subsidiaries	Purchase	4,097,928	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(779,555)	(8)%	Note 1
GWS	MEMC Japan	Indirectly held subsidiaries	Sale	(1,296,170)	(2) %	Net 60 days from the end of the month upon issuance of invoice	-	-	219,590	2%	Note 1
Actron	Mosel	Indirectly held subsidiaries	Purchase	468,324	17 %	Net 30 days from the end of the month upon issuance of invoice	Note 3	Net 90 days from the end of the month upon issuance of invoice for domestic	(86,957)	11%	Note 1 and 4
Actron	DING-WEI Technology	Indirectly held subsidiaries	Purchase	681,230	25 %	Net 90 days from the end of the month upon issuance of invoice	Cost-plus pricing	Net 90 days from the end of the month upon issuance of invoice for domestic	(198,650)	25%	Note 1

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
DING-WEI Technology	Actron	Indirectly held subsidiaries	Sale	(681,230)	100 %	Net 90 days from the end of the month upon issuance of invoice	Cost-plus pricing	Net 90 days from the end of the month upon issuance of invoice for domestic	198,650	100%	Note 1
Mosel	Actron	Indirectly held subsidiaries	Sale	(468,324)	32 %	Net 30 days from the end of the month upon issuance of invoice	Note 3	Net 90 days from the end of the month upon issuance of invoice for domestic	86,875	41%	Note 1 and 4

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.
Note 2: GlobalWafers prepaid to Sino American Silicon Products Inc. according to the contract, amounting to $59,709 thousand.
Note 3: The purchase price of flat wafers was not significantly different from that of other of other suppliers.
Note 4: Purchases from and sales to Mosel before the combination were not eliminated since Mosel was not an entity included in the consolidated financial statements.

Sino-American Silicon Products Inc.
Receivables from related parties with amounts exceeding the lower than NT$100 million or 20% of the capital stock
December 31, 2023

Table 7 (In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 3)	Allowance for bad debts
					Amount	Action taken		
Sino American Silicon Products Inc.	SSH	Directly held subsidiaries	567,807	Note 1	-	-	-	-
Sino American Silicon Products Inc.	Crystalwise Technology	Indirectly held subsidiaries	200,039	Note 1	-	-	-	-
Sino American Silicon Products Inc.	Sunrise PV Four	Directly held subsidiaries	360,071	Note 1	-	-	-	-
SSTI	AMLED	Indirectly held subsidiaries	350,467	Note 1	-	-	-	-
SSTI	Sulu	Indirectly held subsidiaries	439,389	Note 1	-	-	-	-
SAS Sunrise Inc	Sulu	Indirectly held subsidiaries	327,008	Note 1	-	-	-	-
GlobalWafers	GTI	Indirectly held subsidiaries	707,780	6.09	-	-	261,564	-
GlobalWafers	GWJ	Indirectly held subsidiaries	837,048	3.09	-	-	212,774	-
GlobalWafers	GWS	Indirectly held subsidiaries	1,205,159	5.79	-	-	612,149	-
GlobalWafers	MEMC Korea	Indirectly held subsidiaries	797,032	3.48	-	-	259,456	-
GlobalWafers	MEMC SpA	Indirectly held subsidiaries	111,935	6.06	-	-	56,402	-
GlobalWafers	Topsil A/S	Indirectly held subsidiaries	245,542	3.44	-	-	2,053	-
GTI	GlobalWafers	Indirectly held subsidiaries	196,784	7.66	-	-	106,888	-
SST	GlobalWafers	Indirectly held subsidiaries	210,360	8.87	-	-	107,089	-
GWJ	GlobalWafers	Indirectly held subsidiaries	2,114,326	5.07	-	-	663,626	-
GWS	MEMC Japan		219,590	6.37	-		110,372	-
GWS	MEMC Japan	Indirectly held subsidiaries	1,620,892	7.84	-	-	645,148	-
GWS	MEMC SpA	Indirectly held subsidiaries	119,100	8.66	-	-	60,042	-
MEMC Sdn Bhd	GWS	Indirectly held subsidiaries	242,787	8.20	-	-	242,787	-
MEMC SpA	GWS	Indirectly held subsidiaries	579,527	7.97	-	-	326,040	-

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 3)	Allowance for bad debts
					Amount	Action taken		
MEMC Korea	GWS	Indirectly held subsidiaries	210,030	10.69	-	-	71,300	-
MEMC Japan	GWS	Indirectly held subsidiaries	779,555	7.08	-	-	371,856	-
MEMC LLC	GWS	Indirectly held subsidiaries	460,299	7.67	-	-	169,170	-
GWJ	MEMC Japan	Indirectly held subsidiaries	11,120,719	Note 1	-	-	-	-
MEMC SpA	GWS	Indirectly held subsidiaries	1,353,177	Note 1	-	-	110,775	-
GWS	GWBV	Indirectly held subsidiaries	1,048,872	Note 1	-	-	-	-
GWS	GW Gmbh	Indirectly held subsidiaries	4,351,874	Note 1	-	-	-	-
GWBV	GW Gmbh	Indirectly held subsidiaries	1,740,875	Note 1	-	-	-	-
SST	SSKT	Indirectly held subsidiaries	70,854	Note 1	-	-	-	-
SSKT	MHTM	Indirectly held subsidiaries	61,520	Note 1	-	-	-	-
DING-WEI Techology	Actron	Indirectly held subsidiaries	198,650	3.58	-	-	53,811	-

Note 1: Receivables from related party for financing purpose.
Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.
Note 3: The amount received in subsequent period as of January 31, 2024.

Sino-American Silicon Products Inc.

Information on investees (Excluding Information on Investees in Mainland China)

For the year ended December 31, 2023

Table 8 (In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousand)	Percentage of Ownership	Carrying value			
Sino American Silicon Products Inc.	SSTI	British Virgin Islands	Investment and triangular trade center with subsidiaries in China	1,425,603 (USD45,255)	1,425,603 (USD45,255)	48,526	100.00 %	1,159,391	1,634	1,634	Subsidiary
Sino American Silicon Products Inc.	GlobalWafers	Taiwan	Semiconductor silicon wafer materials and components manufacturing and trade	8,957,524	8,955,952	223,008	51.14 %	33,650,099	19,772,048	10,116,362	Subsidiary
Sino American Silicon Products Inc.	Aleo Solar	Prenzlau	Solar module manufacturing and sale and wholesale of electronic materials	558,139 (EUR13,500)	558,139 (EUR13,500)	Note 1	100.00 %	293,475	(20,745)	(20,745)	Subsidiary
Sino American Silicon Products Inc.	SAS Sunrise Inc.	Cayman	Investment activities	794,373 (USD24,500)	794,373 (USD24,500)	24,500	100.00 %	112,788	21,282	21,282	Subsidiary
Sino American Silicon Products Inc.	Sunrise PV Three	Taiwan	Electricity activities	15,000	15,000	1,500	100.00 %	16,435	884	884	Subsidiary
Sino American Silicon Products Inc.	SSH	Taiwan	Investment activities	650,000	650,000	65,000	100.00 %	320,966	(12,415)	(12,415)	Subsidiary
Sino American Silicon Products Inc.	SES	Taiwan	Energy technology service business	20,000	20,000	2,000	100.00 %	18,405	(1,455)	(1,455)	Subsidiary
Sino American Silicon Products Inc.	Crystalwise Technology Inc.	Taiwan	Optical wafer and substrate manufacturing and trade	-	1,685,291	-	- %	-	-	-	Subsidiary Note 2 and 6
Sino American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar energy system provider	112,193	112,193	7,452	24.70 %	54,513	(8,963)	(358)	Associate

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousand)	Percentage of Ownership	Carrying value			
Sino American Silicon Products Inc.	TSCS	Taiwan	Semiconductor special gas and chemical material manufacturer	962,957	962,957	41,590	30.09 %	825,164	155,653	33,295	Subsidiary Note 2
Sino American Silicon Products Inc.	Actron	Taiwan	Semiconductor electric wafer materials and components manufacturing and trade	2,395,995	1,756,162	24,935	24.58 %	2,040,752	723,193	161,771	Subsidiary Note 2 and 6
Sino American Silicon Products Inc.	Advanced Wireless	Taiwan	Gallium arsenide wafer manufacturing and trade	4,341,422	4,341,422	54,287	27.62 %	2,516,274	82,726	(57,649)	Subsidiary Note 2
SSH	SES	Taiwan	Energy technology service business	3,825	-	3,825	51.00 %	3,694	(257)	-	Subsidiary Note 4
SAS Sunrise Inc.	Sulu	Philippines	Electricity activities	113,920 (USD4,000)	113,920 (USD4,000)	420,000	40.00 %	73,765	24,942	-	Subsidiary Note 4
SAS Sunrise Inc.	AMLED	Philippines	Investment activities	-	-	-	-	-	-	-	Subsidiary Note 3 and 4
AMLED	Sulu	Philippines	Electricity activities	297,229 (USD9,065)	297,229 (USD9,065)	472,500	45.00 %	80,503	24,942	-	Subsidiary Note 4
Aleo Solar	Aleo SolarDistribuzioneItalia S.r.l	Italy	Solar module sale and wholesale of electronic materials	4,078 (EUR100)	4,078 (EUR100)	- Note 1	100.00 %	36,834	4,073	-	Subsidiary Note 4
GlobalWafers	GSI	Cayman	Investment in various businesses and triangular trade centers with subsidiaries in Mainland China	698,419 (USD24,555)	698,419 (USD24,555)	23,000	100.00 %	2,972,343	241,963	-	Subsidiary Note 4
GlobalWafers	GWJ	Japan	Manufacturing and trading of silicon wafers	5,448,015	5,448,015	128	100.00 %	17,966,896	1,524,837	-	Subsidiary Note 4
GlobalWafers	GWafers Singapore	Singapore	Investment activities	2,207,377	17,378,877	41,674	100.00 %	31,515,334	3,523,882	-	Subsidiary Note 4 and 8
GlobalWafers	GW GmbH	Germany	Trading	1,952,235 (EUR62,525)	1,952,235 (EUR62,525)	48,025	100.00 %	(4,928,408)	1,844,958	-	Subsidiary Note 4
GlobalWafers	GWBV	Netherlands	Investment activities	40,367,464 (USD1,321,076)	42,525,442 (USD1,321,076)	0.1	100.00 %	51,221,228	4,224,105	-	Associate Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousand)	Percentage of Ownership	Carrying value			
GlobalWafers	Hongwang	Taiwan	Investment activities	309,760	309,760	30,976	30.98 %	1,392,852	217,542	-	Subsidiary Note 4 and 10
GlobalWafers	Sunrise PV Four	Taiwan	Electricity activities	1,045,000	1,045,000	104,500	100.00 %	1,057,473	10,946	-	Subsidiary Note 4
GlobalWafers	Sunrise PV Five	Taiwan	Electricity activities	278,000	278,000	27,800	100.00 %	274,018	(835)	-	Subsidiary Note 4
GlobalWafers	GWH	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	260,817	13,589	-	Subsidiary Note 4
GlobalWafers	CWT	Taiwan	Manufacturing and trading of optoelectronic wafers and substrate material	437,924	-	43,836	100.00 %	418,362	(18,679)	-	Subsidiary Note 4
GWJ	MEMC Japan	Japan	Manufacturing and trading of silicon wafers	373,413 (JPY100,000)	373,413 (JPY100,000)	750	100.00 %	2,478,179	133,801	-	Subsidiary Note 4
Topsil A/S	Topsil PL	Poland	Manufacturing and trading of silicon wafers	-	-	-	- %	-	-	-	Subsidiary Note 4 and 9
GWafers Singapore	GWS	Singapore	Investment activitie	-	14,671,320 (USD406,898)	-	- %	-	-	-	Subsidiary Note 4 and 8
GWBV	MEMC SpA	Italy	Manufacturing and trading of silicon wafers	6,732,641 (USD204,788)	6,732,641 (USD204,788)	65,000	100.00 %	11,363,198	556,150	-	Subsidiary Note 4
MEMC SpA	MEMC SarL	France	Trading	1,316 (USD40)	1,316 (USD40)	0.5	100.00 %	3,532	707	-	Subsidiary Note 4
GWBV	MEMC Korea	Korea	Manufacturing and trading of silicon wafers	11,851,262 (USD384,605)	11,851,262 (USD384,605)	25,200	100.00 %	23,398,484	2,363,342	-	Subsidiary Note 4
GWBV	GTI	United states	Manufacturing and trading of epitaxial wafers and sale	2,779,849 (USD91,262)	2,779,849 (USD91,262)	1	100.00 %	14,617,310	896,027	-	Subsidiary Note 4
GWBV	MEMC Ipoh	Malaysia	Manufacturing and trading of silicon wafers	93,907 (USD1,323)	93,907 (USD1,323)	612,300	100.00 %	4,595	826	-	Subsidiary Note 4
GWBV	Topsil A/S	Denmark	Manufacturing and trading of silicon wafers	1,843,604 (USD60,996)	1,843,604 (USD60,996)	1,000	100.00 %	2,555,654	165,231	-	Subsidiary Note 4
CWT	Crystalwise (HK)	Hong Kong	Investment activities	- (USD48,100)	-	48,100	100.00 %	79,996	(112)	-	Subsidiary Note 4
GTI	MEMC LLC	United states	Research and development, manufacturing and trading of silicon wafers	543,384 (USD17,839)	543,384 (USD17,839)	-	100.00 %	5,566,922	427,203	-	Subsidiary Note 4
SST	MEMC Sdn Bhd	Malaysia	Manufacturing and trading of silicon wafers and sale	898,016 (USD27,315)	898,016 (USD27,315)	1,036	100.00 %	1,238,546	62,322	-	Subsidiary Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousand)	Percentage of Ownership	Carrying value			
GTI	GWA	United states	Manufacturing and trading of silicon wafers and sale	31 (USD1)	31 (USD1)	1	100.00 %	3,139,238	(118,571)	-	Subsidiary Note 4
Actron	DING-WEI Technology	Taiwan	Manufacture of electronic components and motor parts	306,900	306,900	15,000	100.00 %	257,527	66,350	-	Subsidiary Note 4
Actron	SILC	Samoa	Investment	363,260	363,260	12,000	100.00 %	419,642	3,517	-	Subsidiary Note 4
SILC	SAL	Hong Kong	Investment	363,260	363,260	12,000	100.00 %	419,642	3,517	-	Subsidiary Note 4
Actron	REC Technology	Taiwan	Manufacture of electronic components and motor parts	208,102	208,102	8,488	49.00 %	89,962	32,449	-	Subsidiary Note 4
Actron	Hongwang	Taiwan	Investment	300,000	300,000	30,000	30.00 %	1,348,932	217,459	-	Subsidiary Note 4, 7 and 10
Actron	Mosel	Taiwan	Semiconductors	1,180,191	1,180,191	46,925	29.00 %	1,829,513	(175,410)	-	Subsidiary Note 4
Actron	Bigbest	Taiwan	Manufacture of motor parts	245,143	245,143	19,314	28.00 %	72,197	(26,561)	-	Subsidiary Note 4
Actron	Excelliance MOS Technology	Taiwan	Semiconductors	1,491,750	-	15,000	29.00 %	1,440,318	252,442	-	Associate Note 4
Mosel	DenMOS Technology	Taiwan	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs	291,820	291,820	9,114	80.00 %	102,855	(8,471)	-	Subsidiary Note 4
Mosel	Mou Fu Investment	Taiwan	Leasing, manpower dispatch and various services	2,313,124	2,313,124	12,012	100.00 %	110,947	479	-	Subsidiary Note 4
Mosel	Bou-Der Investment	Taiwan	Professional investment	1,264,372	1,264,372	6,400	47.00 %	35,643	654	-	Subsidiary Note 4
Mosel	GHI Ltd. (BVI)	British Virgin Islands	General investment	664,061	664,061	2	100.00 %	71,406	3,098	-	Subsidiary Note 4
Mosel	Integrated Memory Technologies., Inc	United states	Flash memory design house	44,753	44,753	2,500	23.00 %	-	-	-	Associate Note 4
Mou-Fu Investment	Bou-Der Investment	Taiwan	Professional investment	1,356,365	1,356,365	6,839	50.00 %	38,096	654	-	Subsidiary Note 4
Mou-Fu Investment	DenMOS Technology	Taiwan	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs	25,863	25,863	471	4.00 %	5,475	(8,471)	-	Subsidiary Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousand)	Percentage of Ownership	Carrying value			
GHI Ltd.(BVI)	Third Dimension Semiconductor, Inc.	United states	Power IC design	314,640	314,640	49,183	43.00 %	-	3,602	-	Associate Note 4

Note:1 A limited company.

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

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

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

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

Note 6: Crystalwise Technology became an indirectly owned subsidiary after November 1, 2023 and Actron became a subsidiary after September 28, 2023.

Note 7: Among ordinary shares and preferred shares were $468 thousand and $29,532 thousand, respectively.

Note 8: On January 1, 2023, GWafer Singapore mereged with its subsidiary GWS. GWS was dissolved while GWafer Singapore continued to exist and was renamed as Global Wafers Singapore (abbreviated as GWS)

Note 9: The liquidtion of Topsil PL has been completed in June, 2023.

Note 10: Hongwang was included in consolidation financial statements because of the Company owned 60.98% of its shares through Actron and GlobalWafers.

Sino-American Silicon Products Inc.

Information on investment in mainland China

For the year ended December 31, 2023

Table 9 (In Thousands of New Taiwan Dollars)

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
SST	Processing and trading of ingots and wafers	1,429,778 (Note 5)	Note 1	713,300 (USD21,729)	-	-	713,300 (USD21,729)	241,943	100.00%	241,943	2,946,199	-
KST	Trading and markcting business	26,587	Note 6	-	-	-	-	46,588	100.00%	46,598	82,079	-
SSKT	Manufacting and distributing lithiun tastalate and lithium niobate wafers	102,776	Note 7	-	-	-	-	(53,330)	100.00%	(53,330)	380,175	-
MHTM	Manufacting and distributing lithiun tastalate and lithium niobate wafers	159,588	Note 8	-	-	-	-	(24,072)	90.00%	(21,665)	36,536	-
YHTM	Manufacting and sales of optoelectranic and communication materials	1,494,720	Note 9	1,494,720 (USD48,000)	-	-	1,494,720 (USD48,000)	94	80.94%	76	79,851	-
YHTM	Manufacting and sales of optoelectranic and communication materials	351,882	Note 10	351,882 (USD11,300)	-	-	351,882 (USD11,300)	94	19.06%	18	18,804	-
Smooth	Manufacture of motor parts	363,260 (USD12,000)	Note 12	363,260 (USD12,000)	-	-	363,260 (USD12,000)	3,517	100.00%	3,517	419,642	-

(2) Limitation on investment in Mainland China

Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
GlobalWafers	2,538,961 (USD81,187) (Note 11)	3,535,884 (USD115,852) (Note 3 and 11)	39,869,739 (Note 4)
Actron	363,260 (USD12,000)	365,520 (USD12,000)	4,862,265 (Note 13)

Note 1: Investments through GSI.
Note 2: The basis for investment income (loss) recognition is from the audited financial statements.
Note 3: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the Historical Foreign Exchange Rate.
Note 4: Pursuant to the Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area' dated on August 29, 2008, the total amount of investment shall not exceed 60% of the GlobalWafers' net equity on December 31, 2023.
Note 5: Retained earnings transferred to capital was included.
Note 6: KST was funded by using the capital of SST, which cannot be considered as investment limit because there was no remittance from Taiwan.
Note 7: SSKT was funded by using the capital of SST, which cannot be considered as investment limit because there was no remittance from Taiwan.
Note 8: MHTM is china-based company invested by SSKT.
Note 9: YHTM is China-based company invested by Crystalwise HK.
Note 10: Investment made directly by Taiwan-based investment company.
Note 11: Includes the investment amount on November 1, 2023 for the merger of YHTM, a subsidiary of CWT. The cumulative investment amount is US$59,458 thousand in the Mainland China and an amount approved by the Department of Investment Review is US$59,688 thousand.
Note 12: Indirectly investment in Mainland China through companies registered in a third region.
Note 13: The investment amounts authorized by Investment Commission, MOEA:8,103,775 (net equity of Actron as of December 31, 2023) ×60%＝4,862,265.

Sino-American Silicon Products Inc.

List of cash and cash equivalents

December 31, 2023

(Expressed in thousands of New Taiwan Dollars; in dollar of foreign currencies)

Items	Summary	Amount
Cash	Petty cash and cash on hand	$ 200
Bank deposits	Check deposits	430
	Demand deposits	88,494
	Foreign currency deposits (USD: 2,690,941.77; JPY: 9,155,550; EUR: 2,907.67; RMB: 84,068.31)	85,076
Time deposits	Foreign currency deposits (RMB:2,800,000)	12,116
	Total	**$ 186,316**

Note: Foreign currency exchange rates at the balance sheet date are as follows:

USD exchange rate: 30.705

JPY exchange rate: 0.2172

EUR exchange rate: 33.98

RMB exchange rate: 4.327

Sino-American Silicon Products Inc.

Statement of Notes and Accounts Receivable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Customer Name	Amount
Company F	$ 204,569
Company D	159,813
Company G	84,725
Company I	36,513
Others (individual amount does not exceed 5%)	55,903
	$ 541,523

Note: 1. Notes and accounts receivable resulting from business activities.

2. Accounts receivable－related party is not included in the accounts receivable referred to above. Please refer to note 7 to the parent-company-only financial statements for details.

Sino-American Silicon Products Inc.

Statement of inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Amount: Costs	Amount: Net realizable value	Remark
Finished goods and products	$ 117,869	165,508	Please refer to note 4 (5)
Work in progress	44,538	71,213	to the parent-company-only
Raw materials	552,598	457,013	financial statements for the
Supplies	37,553	22,266	reference of net realizable
Subtotal	752,558	**716,000**	value of inventory.
Less: Allowance for valuation loss	(156,334)		
Total	**$ 596,224**		

Statement of other current assets

Items	Amount
Other receivables	$ 63,443
Income tax refund receivable	36,648
Contract assets	26,147
Prepaid expenses	9,027
Others (individual amount does not exceed 5%)	11,809
Total	**$ 147,074**

Sino-American Silicon Products Inc.

Statement of changes in financial assets measured at fair value through other comprehensive income－Non-current

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars; in thousands of shares)

Name	Beginning balance		Increase (decrease) for the period		Gain or loss on evaluation	End of the period		Accumulated impairment loss	Guarantee or collateral provided	Remarks
	Shares	Fair value	Shares	Amount	Amount	Shares	Fair value			
Billion Watts Co., Ltd.	-	$ -	2,500	80	-	2,500	80	Not applicable	None	
Billion Electric Co., Ltd.	-	-	15,000	529,800	111,450	15,000	641,250	Not applicable	None	
Giga Electronic Technology Corp.	531	-	-	-	-	531	-	Not applicable	None	
Powertech Energy Corp.	30,410	-	-	-	-	30,410	-	Not applicable	None	
Bigsun Technology Corporation	7,500	-	-	-	-	15,000	-	Not applicable	None	
Total		$ -		529,880	111,450		641,330			

Sino-American Silicon Products Inc.

Statement of changes in Financial assets measured at amortized cost－current

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Increase of the year		Decrease of the year		Gain or loss on evaluation	End of the period		Accumulated	Guarantee or	
Name	Number of bond units	Carrying Amount	Number of bond units	Amount	Number of bond units	Amount	Amount	Number of bond units	Carrying Amount	impairment loss	collateral provided	Remarks
Crystalwise Technology - Corporate bonds	330	$ 331,609	-	-	(330)	(331,609)	-	-	-	-	None	

Sino-American Silicon Products Inc.
Statement of changes in investments under equity method
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars; in thousands of shares)

Investee company name	Beginning balance		Increase (decrease) for the period		Net change in net equity value of subsidiaries and related enterprises recognized by equity method (Note 6)	Investment profits and losses	Exchange differences on translation of foreign financial statements	Remeasurement of defined benefit plan of subsidiaries	Other adjustment items (Note 7)	Ending balance			Market price or net equity value		Guarantee or collateral provided
	Shares	Amount	Shares	Amount						Shares	Amount	Shareholding ratio (%)	Unit price	Total price	
Subsidiary:															
SSTI	48,526	$ 1,116,825	-	-	-	1,634	(840)	-	41,772	48,526	1,159,391	100.00	-	1,159,391	None
GlobalWafers	222,727	29,244,649	281	(3,562,060)(Note 1)	223,956	10,116,362	(735,506)	207,549	(1,844,851)	223,008	33,650,099	51.14	587	130,905,696	None
Aleo Solar	-	381,745	-	-	-	(20,745)	13,864	-	(81,389)	-	293,475	100.00	-	374,864	None
SAS Sunrise Inc.	24,500	240,648	-	-	-	21,282	(339)	-	(148,803)	24,500	112,788	100.00	-	261,591	None
TSCS	41,590	820,150	-	(28,281)(Note 2)	-	33,295	-	-	-	41,590	825,164	30.09	-	818,822	None
SES	2,000	19,860	-	-	-	(1,455)	-	-	-	2,000	18,405	100.00	-	18,405	None
Sunrise PV Three	1,500	16,512	-	(961)(Note 3)	-	884	-	-	-	1,500	16,435	100.00	-	16,435	None
SSH	65,000	131,538	-	400,000 (Note 5)	-	(12,415)	-	-	(198,157)	65,000	320,966	100.00	-	320,966	None
Advanced Wireless	54,287	3,730,579	-	-	-	(57,649)	-	-	(1,156,656)	54,287	2,516,274	27.62	131	7,111,597	None
Actron Technology Inc.	-	-	24,935	2,114,766 (Note 4)	6,911	13,935	(2,085)	31	(92,806)	24,935	2,040,752	24.58	185.50	4,625,443	
	-	35,702,506		(1,076,536)	230,867	10,095,128	(724,906)	207,580	(3,480,890)		40,953,749			145,613,210	None
Affiliated enterprises:															
Crystalwise Technology Inc.	13,877	-	(13,877)	-	-	-	-	-	-	-	-	-	-	-	None
Accu Solar Corporation	7,452	54,871	-	-	-	(358)	-	-	-	7,452	54,513	24.70	-	54,871	None
Actron Technology Inc.	20,807	1,511,495	(20,807)	(1,558,163)(Note 4)	(122,342)	147,836	158	-	21,016	-	-	-	-	-	None
		1,566,366		(1,558,163)	(122,342)	147,478	158	-	21,016		54,513			54,871	
Unrealized gain from affiliate accounts		216,232		(310,766)	-	-	-	-	-		(94,534)				
Total		$ **37,485,104**		**(2,945,465)**	**108,525**	**10,242,606**	**(724,748)**	**207,580**	**(3,459,874)**		**40,913,728**				

Note 1: Due to cash dividends of $1,781,946 thousand and investment of $1,572 thousand from GlobalWafers, respectively.

Note 2: Due to cash dividends of $28,281 thousand from TSCS.

Note 3: Due to cash dividends of $961 thousand from Sunrise PV Three.

Note 4: Including an increase in investment of $639,832 for Actron Technology, and dividend of $83,229 thousand received. Actron Technology was regarded as a subsidiary on October 2, 2023, please refer to note 5.

Note 5: The Company resolved on December 8, 2022 by the Board of Directors to debt transferred to capital $400,000 thousand.

Note 6: Included the adjustments to capital surplus due to non-proportional investment in investee's increase in capital.

Note 7: Included unrealized gain or loss and re-measurement of disposal gain and loss of the financial assets held by subsidiaries and affiliated associates, impairment loss, the employees unvested stock awards and treasury stocks, etc.

Sino-American Silicon Products Inc.

Statement of changes in property, plant and equipment

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6 (8) for relevant information of property, plant and equipment.

Statement of changes in right for use assets

Please refer to note 6 (9) for relevant information of right for use assets.

Statement of other non-current assets

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Deferred income tax assets－non-current	$ 84,147
Prepayments for equipment－non-current	31,949
	$ 116,096

Sino-American Silicon Products Inc.

Statement of short-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Lending bank	Explanation	Ending balance	Contract duration	Range of Interest Rate	The unutilized credit amount	Mortgage or guarantee
Taipei Fubon Bank	Working capital	$ 1,800,000	Note 1	Note 3	150,000	None
Yuanta Commerical Bank	Working capital	1,500,000	Note 1	Note 3	-	None
Cathay United Bank	Working capital	600,000	Note 1	Note 3	-	None
Export-Import Bank	Working capital	550,000	Note 1	Note 3	-	None
Mega Bank	Working capital	500,000	Note 1	Note 3	-	None
Bank of Taiwan	Working capital	450,000	Note 1	Note 3	-	None
		$ 5,400,000				

Note 1: The loan period is based on the actual practice and it is usually repaid in one month. The operation turnover period is for one year.
Note 2: In addition to the above booked, the Company still has unused credit lines amounting to $10,559,615 thousand.
Note 3: Range of interest rate is 1.51%~1.7%.

Statement of Accounts payable

Names of suppliers	Amount
Supplier A	$ 483,604
Supplier B	51,069
Supplier E	41,208
Others (individual amount does not exceed 5%)	137,876
Total	$ 713,757

Note: 1. Accounts payable are resulting from business activities.
2. Accounts payable－related parties were not included in the above accounts. Please refer to note 7 to the parent-company-only financial statements for details.

Sino-American Silicon Products Inc.

Statement of lease liabilities

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Rental term	Discount rate	Ending balance	Remark
Building	Warehouse	2015/7/1~2025/6/30	1.11%	$ 33,722	
Land	Science park	2020/5/26~2039/12/31	1.76%	44,788	
Land	Science park Authority	2020/4/1~2027/12/31	1.11%	16,361	
Office and other equipment	Cars	2022/3/11~2025/3/10	0.94%	331	
Office and other equipment	Cars	2022/8/23~2025/8/22	0.94%	508	
Office and other equipment	Cars	2023/4/1~2027/3/30	2.30%	2,354	
Office and other equipment	Cars	2021/7/31~2024/7/30	0.89%	138	
Office and other equipment	Cars	2023/8/20~2026/6/19	2.30%	462	
Office and other equipment	Charging station parking space	2022/7/1~2028/6/30	0.94%	264	
Office and other equipment	Taoyuan office	2023/5/3~2028/5/3	2.30%	1,350	
Office and other equipment	Kaohsiung office	2022/5/1~2024/4/30	2.30%	100	
				100,378	
Less: lease liabilities－current				(31,003)	
Total				**$ 69,375**	

Statement of contract liabilities

Customer Name	Amount
Company H	$ 863,041
Company I	255,682
Company G	154,692
Others (individual amount does not exceed 5%)	169,056
	1,442,471
Less: contract liability-current	(441,877)
Total	**$ 1,000,594**

Sino-American Silicon Products Inc.

Statement of other current liabilities

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Summary	Amount
Equipment payable		$ 85,922
Estimated accrued expenses		83,365
Accrued remuneration of directors		62,555
Other accrued expenses		40,152
Lease liabilities－current		31,003
Others (individual amount does not exceed 5%)	Other payables, other advance payment and interest payable	36,681
		$ 339,678

Statement of other liabilities－non-current

Items	Summary	Amount
Guarantee deposit received－non-current		$ 83,753
Lease liabilities－non-current		69,375
Others (individual amount does not exceed 5%)		4,239
Total		**$ 157,367**

Sino-American Silicon Products Inc.

Operating revenues statement

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Sales volume	Amount
Sales revenue:		
Solar cells	52,620 thousand/pcs	$ 2,307,645
Solar ingot	290 thousand/kg	1,065,247
Solar module	3 thousand/pcs	13,295
Solar wafer	14,690 thousand/pcs	225,695
Revenues from sale of goods and raw materials		2,448,051
Subtotal		6,059,933
Electricity Revenue and others		779,240
Net operating revenues		**$ 6,839,173**

Sino-American Silicon Products Inc.

Statement of operating costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Beginning inventory - goods	$ 113,960
Add: purchase in this period	2,961,435
Less: Inventories at the end of the period	6,317
Realized gain from inter-affiliate accounts	15,037
Transfer of expenses	209,562
Cost of goods purchased and sold	2,844,479
Raw material consumption	
Beginning raw materials	950,736
Add: Material purchased in this period	1,269,789
Less: Ending raw materials	590,151
Reclassify as fixed assets	5,693
Realized gain from inter-affiliate accounts	3
Reclassified as expenses	235,992
Sale in this period	365,139
Consumption of raw materials in this period	1,023,547
Direct labor	209,933
Manufacturing expenses	1,046,217
Manufacturing cost	2,279,697
Add: Beginning WIP goods	86,148
Transfer in of finished goods	371,657
Less: Ending WIP goods	44,538
Transferred to expense and others	11,696
Costs of finished goods	2,681,268
Add: Beginning finished goods	173,295
Transferred to expense and others	4,216
Less: Finished goods at end of period	111,552
Transfer out of finished goods	371,657
Cost of finished goods sold	2,375,570
Cost of goods sold	5,220,049
Add: Cost of raw materials sold	365,138
Unallocated fixed manufacturing expense	421,954
The impairment loss of property, plant and equipment	764,756
Realized profit and offset from sales to affiliated companies	278,531
Other operaring costs	785,064
Less: Recognition reversal of inventory valuation loss	78,589
Recognition reversal of provision loss	283,200
Total operating costs	**$ 7,473,703**

Sino-American Silicon Products Inc.

Statement of operating expense

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Selling expenses	Administrative expenses	Research and development expenses
Salary expenses	$ 62,627	266,173	62,393
Directors remuneration	-	58,080	-
Depreciation	402	78,351	34,152
Indirect material expense	-	-	28,677
Others (summary of individual amount not exceeding 5%)	16,248	67,202	20,959
Total	**$ 79,277**	**469,806**	**146,181**

Statement of Interest Income

Please refer to note 6 (20) of the parent-company-only financial statements for relevant information of interest income.

Sino-American Silicon Products Inc.

Statement of other gains and losses, net

For the year ended December 31, 2023

Please refer to note 6 (21) of the parent-company-only financial statements for relevant information of other gains and losses, net.

Statement of finance costs

Please refer to note 6 (22) of the parent-company-only financial statements for relevant information of finance cost.

Employee benefits, depreciation, depletion, and amortization expenses summarized by functions.

Please refer to note 12 of the parent-company-only financial statements for relevant information of employee benefits, depreciation, and amortization expenses.