

Sino-American Silicon Products Inc. and Subsidiaries

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023**

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

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Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Sino-American Silicon Products Inc. and its subsidiaries as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (“IASs”) 34, “Interim Financial Reporting”, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(2), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$5,680,884 thousand and \$6,179,678 thousand, constituting 2% and 3% of consolidated total assets at March 31, 2024 and 2023, respectively, total liabilities amounting to \$1,745,956 thousand and \$1,758,858 thousand, constituting 1% and 1% of consolidated total liabilities at March 31, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to \$189,625 thousand and \$(70,394) thousand, constituting 3% and (2)% of consolidated total comprehensive income (loss) for the three months ended March 31, 2024 and 2023, respectively.

Furthermore, as stated in Note 6(7), the other equity-method accounted investments of the Sino-American Silicon Products Inc. and its subsidiaries amounting to \$1,530,834 thousand and \$56,029 thousand at March 31, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of \$35,964 thousand and \$1,158 thousand for the three months ended March 31, 2024 and 2023, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.



Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity-method accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Sino-American Silicon Products Inc. and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting”, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ report are Yung-Hua Huang and Chun-Yuan Wu.

KPMG

Taipei, Taiwan (Republic of China)
May 10, 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Balance Sheets

March 31, 2024, December 31, 2023, and March 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2024		December 31, 2023		March 31, 2023				March 31, 2024		December 31, 2023		March 31, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (notes 6(1) and 9)	\$ 40,925,212	17	30,827,503	14	76,666,964	38	2100	Short-term borrowings (notes 6(13) and 8)	\$ 28,572,568	12	31,811,162	14	11,623,950	6
1110	Financial assets at fair value through profit or loss—current (note 6(2))	63	-	9,995	-	9,295	-	2120	Financial liabilities at fair value through profit or loss—current (notes 6(2) and (15))	209,967	-	204,322	-	4,593	-
1136	Financial assets measured at amortized cost—current (notes 6(4) and 7)	-	-	-	-	330,018	-	2130	Contract liabilities—current (note 6(23))	10,618,090	4	10,493,887	5	10,111,490	5
1170	Notes and accounts receivable, net (notes 6(5) and (23))	12,403,376	5	12,228,049	5	11,233,400	6	2170	Notes and accounts payable	5,311,415	2	5,958,638	3	5,440,495	3
1180	Accounts receivable due from related parties, net (notes 6(23) and 7)	-	-	-	-	65,358	-	2180	Accounts payable to related parties (note 7)	-	-	-	-	101	-
								2201	Payroll and bonus payable	5,128,900	2	5,310,525	2	4,683,307	2
130X	Inventories (note 6(6))	13,767,542	6	12,556,397	6	10,994,400	5	2216	Dividends payable	479,199	-	3,756,469	2	-	-
1476	Other financial assets—current (notes 6(1) and 8)	35,865,886	15	43,551,516	19	16,094,180	8	2250	Provisions—current (note 6(17))	298,756	-	293,127	-	440,974	-
1479	Other current assets (note 6(12))	<u>2,345,893</u>	<u>1</u>	<u>2,204,462</u>	<u>1</u>	<u>1,657,342</u>	<u>1</u>	2230	Current tax liabilities	3,986,242	2	4,070,647	2	5,587,625	3
		<u>105,307,972</u>	<u>44</u>	<u>101,377,922</u>	<u>45</u>	<u>117,050,957</u>	<u>58</u>	2270	Convertible bonds, current portion (note 6(15))	6,317,819	3	6,647,050	3	-	-
Non-current assets:								2321	Bonds payable, current portion (note 6(15))	7,099,033	3	7,098,400	3	-	-
1513	Financial assets at fair value through profit or loss—non-current (note 6(2))	11,851,392	5	12,567,498	6	9,343,908	5	2322	Long-term borrowings, current portion (note 6(14))	2,305,363	1	1,870,689	1	222,176	-
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(3))	4,119,044	2	3,464,865	1	2,009,761	1	2399	Other current liabilities (notes 6(16), 7 and 9)	<u>10,424,252</u>	<u>4</u>	<u>9,977,315</u>	<u>4</u>	<u>5,841,644</u>	<u>3</u>
1550	Investments accounted for using equity method (note 6(7))	1,530,834	1	1,494,831	1	2,711,531	1			<u>80,751,604</u>	<u>33</u>	<u>87,492,231</u>	<u>39</u>	<u>43,956,355</u>	<u>22</u>
1600	Property, plant and equipment (notes 6(9), 7 and 8)	99,431,556	41	89,667,689	40	55,243,527	27	Non-Current liabilities:							
1755	Right-of-use assets (note 6(10))	1,445,162	1	1,459,674	1	1,159,785	1	2527	Contract liabilities—non-current (notes 6(23) and 9)	24,436,215	10	24,970,383	11	28,353,001	14
1780	Intangible assets (note 6(11))	5,726,151	2	5,695,213	2	7,000,573	3	2500	Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (15))	936,183	1	-	-	282,756	-
1840	Deferred tax assets	3,564,684	1	3,652,099	2	2,704,812	1	2530	Convertible bonds (note 6(15))	765,569	-	762,039	-	21,858,982	11
1980	Other financial assets—non-current (notes 8 and 9)	860,226	-	845,746	-	220,733	-	2531	Bonds payable (note 6(15))	16,887,792	7	11,893,051	5	18,987,445	9
1990	Other non-current assets (note 6(12))	<u>6,234,458</u>	<u>3</u>	<u>5,269,688</u>	<u>2</u>	<u>5,197,347</u>	<u>3</u>	2532	Overseas equity warrant bonds payable (notes 6(15))	10,090,683	4	-	-	-	-
		<u>134,763,507</u>	<u>56</u>	<u>124,117,303</u>	<u>55</u>	<u>85,591,977</u>	<u>42</u>	2540	Long-term borrowings (notes 6(14) and 8)	4,347,910	2	4,514,138	2	5,274,189	3
								2550	Provisions—non-current (note 6(17))	3,073,090	1	3,202,855	1	3,212,378	2
								2570	Deferred tax liabilities	6,578,123	3	6,034,723	3	4,806,588	2
								2670	Other non-current liabilities (notes 6(16), 7 and 9)	2,959,253	1	3,022,729	1	2,614,860	1
								2640	Net defined benefit liabilities	<u>1,580,887</u>	<u>1</u>	<u>1,608,901</u>	<u>1</u>	<u>1,515,575</u>	<u>1</u>
										<u>71,655,705</u>	<u>30</u>	<u>56,008,819</u>	<u>24</u>	<u>86,905,774</u>	<u>43</u>
									Total liabilities	<u>152,407,309</u>	<u>63</u>	<u>143,501,050</u>	<u>63</u>	<u>130,862,129</u>	<u>65</u>
									Equity (note 6(20)):						
								3110	Ordinary shares	<u>5,862,217</u>	<u>3</u>	<u>5,862,217</u>	<u>3</u>	<u>5,862,217</u>	<u>3</u>
								3200	Capital surplus	<u>17,013,527</u>	<u>7</u>	<u>16,955,211</u>	<u>8</u>	<u>16,847,073</u>	<u>8</u>
								3300	Retained earnings	<u>21,745,081</u>	<u>9</u>	<u>19,764,133</u>	<u>9</u>	<u>17,607,648</u>	<u>8</u>
								3400	Other equity interest	<u>(5,611,109)</u>	<u>(2)</u>	<u>(6,457,122)</u>	<u>(3)</u>	<u>(6,477,902)</u>	<u>(3)</u>
								3500	Treasury shares	<u>(4,382,100)</u>	<u>(2)</u>	<u>(4,382,100)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
									Total equity attributable to shareholders of the Company	<u>34,627,616</u>	<u>15</u>	<u>31,742,339</u>	<u>15</u>	<u>33,839,036</u>	<u>16</u>
								36XX	Non-controlling interests (note 6(8))	<u>53,036,554</u>	<u>22</u>	<u>50,251,836</u>	<u>22</u>	<u>37,941,769</u>	<u>19</u>
									Total equity	<u>87,664,170</u>	<u>37</u>	<u>81,994,175</u>	<u>37</u>	<u>71,780,805</u>	<u>35</u>
Total assets		<u>\$ 240,071,479</u>	<u>100</u>	<u>225,495,225</u>	<u>100</u>	<u>202,642,934</u>	<u>100</u>	Total liabilities and equity		<u>\$ 240,071,479</u>	<u>100</u>	<u>225,495,225</u>	<u>100</u>	<u>202,642,934</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2024 and 2023

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

		For the three months ended March 31,			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(23) and 7)	\$ 19,692,155	100	20,903,549	100
5000	Operating costs (notes 6(6), (18), (24) and 7)	13,497,356	69	13,311,120	64
	Gross profit from operations	6,194,799	31	7,592,429	36
	Operating expenses (notes 6(18), (24) and 7):				
6100	Selling expenses	376,174	2	430,327	2
6200	Administrative expenses	655,924	3	724,091	3
6300	Research and development expenses	811,931	4	616,483	3
6450	Expected credit losses (reversal gains) (note 6(5))	(4,709)	-	23,234	-
	Total operating expenses	1,839,320	9	1,794,135	8
	Net operating income	4,355,479	22	5,798,294	28
	Non-operating income and expenses:				
7100	Interest income (notes 6(25))	757,464	4	749,906	4
7020	Other gains and losses (note 6(26))	174,215	1	191,091	1
7050	Finance costs (note 6(25) and 7)	(257,107)	(1)	(182,786)	(1)
7060	Share of profit (loss) of associates accounted for using equity method (note 6(7))	35,964	-	51,682	-
		710,536	4	809,893	4
	Income before income tax	5,066,015	26	6,608,187	32
7950	Less: Income tax expense (note 6(19))	1,109,502	6	1,893,706	9
	Net income	3,956,513	20	4,714,481	23
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	750,133	4	47,588	-
8320	Share of other comprehensive income of associates accounted for using equity method (notes 6(27))	-	-	150,743	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(19))	(42,239)	-	36,720	-
		707,894	4	235,051	1
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	1,709,788	9	(1,591,530)	(8)
8370	Share of other comprehensive income of associates accounted for using equity method (notes 6(27))	-	-	504	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(19))	(340,992)	2	288,739	(1)
		1,368,796	7	(1,302,287)	(7)
8300	Other comprehensive income (after tax)	2,076,690	11	(1,067,236)	(6)
	Total comprehensive income	\$ 6,033,203	31	3,647,245	17
	Net income attributable to:				
	Shareholders of Sino-American Silicon Products Inc.	\$ 1,902,010	10	2,469,459	12
	Non-controlling interests	2,054,503	10	2,245,022	11
		\$ 3,956,513	20	4,714,481	23
	Total comprehensive income attributable to:				
	Shareholders of Sino-American Silicon Products Inc.	\$ 2,823,742	15	1,965,610	9
	Non-controlling interests	3,209,461	16	1,681,635	8
		\$ 6,033,203	31	3,647,245	17
	Earnings per share (NT dollars) (note 6(22))				
9750	Basic earnings per share	\$ 3.40		4.21	
9850	Diluted earnings per share	\$ 3.39		4.18	

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 three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent													
							Other equity interest							
							Exchange differences on translation of foreign financial statements	Gains (losses) on equity instrument measured at fair value through other comprehensive income	Others	Total other equity interest	Treasury shares	Total	Non- controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Retained earnings Unappropriated retained earnings	Total retained earnings								
Balance at January 1, 2023	\$ 5,862,217	16,846,163	2,031,108	5,439,008	7,668,073	15,138,189	(4,616,247)	(1,354,989)	(2,761)	(5,973,997)	-	31,872,572	36,258,972	68,131,544
Net income for the period	-	-	-	-	2,469,459	2,469,459	-	-	-	-	-	2,469,459	2,245,022	4,714,481
Other comprehensive income for the period	-	-	-	-	-	-	(668,553)	164,704	-	(503,849)	-	(503,849)	(563,387)	(1,067,236)
Comprehensive income for the period	-	-	-	-	2,469,459	2,469,459	(668,553)	164,704	-	(503,849)	-	1,965,610	1,681,635	3,647,245
Changes in equity of associates accounted for affiliates using equity method	-	910	-	-	-	-	-	-	(56)	(56)	-	854	-	854
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	1,162	1,162
Balance at March 31, 2023	<u>\$ 5,862,217</u>	<u>16,847,073</u>	<u>2,031,108</u>	<u>5,439,008</u>	<u>10,137,532</u>	<u>17,607,648</u>	<u>(5,284,800)</u>	<u>(1,190,285)</u>	<u>(2,817)</u>	<u>(6,477,902)</u>	<u>-</u>	<u>33,839,036</u>	<u>37,941,769</u>	<u>71,780,805</u>
Balance at January 1, 2024	\$ 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
Net income for the period	-	-	-	-	1,902,010	1,902,010	-	-	-	-	-	1,902,010	2,054,503	3,956,513
Other comprehensive income for the period	-	-	-	-	-	-	723,326	198,406	-	921,732	-	921,732	1,154,958	2,076,690
Comprehensive income for the period	-	-	-	-	1,902,010	1,902,010	723,326	198,406	-	921,732	-	2,823,742	3,209,461	6,033,203
Appropriation and distribution of retained earnings:														
Cash dividends on ordinary share	-	-	-	-	-	-	-	-	-	-	-	-	(479,199)	(479,199)
Share-based payment transaction	-	2,998	-	-	-	-	-	-	-	-	-	2,998	12,795	15,793
Changes in equity of associates accounted for subsidiaries and affiliates using equity method	-	133	-	-	2,979	2,979	-	-	-	-	-	3,112	-	3,112
Others	-	-	-	-	(24)	(24)	-	-	264	264	-	240	-	240
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	41,661	41,661
Cash dividends received by subsidiaries from the parent company	-	55,185	-	-	-	-	-	-	-	-	-	55,185	-	55,185
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	75,983	75,983	-	(75,983)	-	(75,983)	-	-	-	-
Balance at March 31, 2024	<u>\$ 5,862,217</u>	<u>17,013,527</u>	<u>3,395,684</u>	<u>6,188,164</u>	<u>12,161,233</u>	<u>21,745,081</u>	<u>(4,620,371)</u>	<u>(986,715)</u>	<u>(4,023)</u>	<u>(5,611,109)</u>	<u>(4,382,100)</u>	<u>34,627,616</u>	<u>53,036,554</u>	<u>87,664,170</u>

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2024	2023
Cash flows from operating activities:		
Income before income tax	\$ 5,066,015	6,608,187
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	2,291,193	1,958,535
Amortization expenses	46,592	91,407
Expected credit losses (gain)	(4,709)	23,234
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	65,849	(62,758)
Interest expenses	257,107	182,786
Interest income	(757,464)	(749,906)
Dividend income	(2,579)	(2,081)
Share-based compensation cost	15,793	-
Shares of profit of associates accounted for using equity method	(35,964)	(51,682)
Loss (gain) on disposal of property, plant and equipment	(24,240)	12,785
Recognition (reversal) of write-down of inventory	(63,351)	113,373
Reversal of provisions	(126,418)	(111,018)
Lease modification gain	(75)	-
Total adjustments	1,661,734	1,404,675
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(170,714)	16,103
Inventories	(1,148,949)	(315,730)
Prepayments	25,847	(7,585)
Other financial assets	96,312	21,614
Other operating assets	(116,741)	(144,267)
Contract liabilities	(1,337,084)	(901,229)
Notes and accounts payable (including related parties)	(652,262)	(1,864,890)
Net defined benefit liabilities	(28,014)	(23,753)
Other operating liabilities	(324,787)	(32,289)
Total changes in operating assets and liabilities	(3,656,392)	(3,252,026)
Total adjustments	(1,994,658)	(1,847,351)
Cash inflow generated from operations	3,071,357	4,760,836
Interest received	696,099	709,344
Dividends received	2,579	2,081
Interest paid	(386,177)	(92,344)
Income taxes paid	(967,724)	(698,417)
Net cash flows generated from operating activities	2,416,134	4,681,500

(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 three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2024	2023
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income and prepayments for investments	(25,049)	(529,880)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	9,622
Proceeds from disposal of financial assets at fair value through other comprehensive income	223,429	-
Proceeds from capital reduction of financial assets at fair value through profit or loss	7,708	2,575
Acquisition of property, plant and equipment, and prepayments of equipment	(11,092,518)	(5,344,743)
Proceeds from disposal of property, plant and equipment	61,619	41,980
Acquisition of intangible assets	(2,589)	(2,685)
Decrease (increase) in other financial assets	7,636,201	(7,600,696)
Net cash flows used in investing activities	(3,191,199)	(13,423,827)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(3,238,594)	1,827,950
Proceeds from issuing bonds	16,457,644	-
Repayments of bonds	-	(2,029,803)
Increase in long-term borrowings	540,000	4,652,965
Repayments of long-term borrowings	(235,227)	(35,570)
Increase in guarantee deposits received	(84,054)	57,249
Payment of lease liabilities	(64,425)	(50,312)
Cash dividends and capital surplus distribution	(3,756,469)	(3,257,330)
Change in non-controlling interests	-	1,162
Net cash flows used in financing activities	9,618,875	1,166,311
Effect of exchange rate changes on cash and cash equivalents	1,253,899	995,126
Increase (decrease) in cash and cash equivalents	10,097,709	(6,580,890)
Cash and cash equivalents at beginning of period	30,827,503	83,247,854
Cash and cash equivalents at end of period	\$ 40,925,212	76,666,964

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Notes to the Consolidated Financial Statements

March 31, 2024 and 2023

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

1. Company history

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

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

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

The consolidated financial statements were authorized for issue by the Board of Directors on May 10, 2024.

3. New standards, amendments and interpretations adopted:

- (1) The impact of the IFRS Accounting Standards 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, 2024:

- 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”

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

- (2) The impact of IFRS issued by International Accounting Standards Board (the “IASB”) but not yet endorsed by the FSC

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

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

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

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

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

(1) Statement of compliance

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

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of consolidation

The principle of preparation of the consolidated financial statements is consistent with those of the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note 4(3) of the consolidated financial statements for the year ended December 31, 2023.

A. List of subsidiaries in the consolidated financial statements

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

Name of Investor	Name of subsidiary	Business	Percentage of Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
Sino-American Silicon Products Inc.	Sino Silicon Technology Inc. (SSTI)	Investment and triangular trade center with subsidiaries in China	100%	100%	100%	Note 7

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

Name of Investor	Name of subsidiary	Business	Percentage of Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
Sino-American Silicon Products Inc.	GlobalWafers	Manufacturing and trading of semiconductor silicon materials and components	51.14%	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%	100%	Note 7
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Investment activities	100%	100%	100%	Note 7
Sino-American Silicon Products Inc.	Sunrise PV Three Co., Ltd. (Sunrise PV Three)	Electricity activities	100%	100%	100%	Note 7
Sino-American Silicon Products Inc.	SAS Capital Co., Ltd. (SSH)	Investment activities	100%	100%	100%	Note 7
Sino-American Silicon Products Inc.	Sustainable Energy Solution Co., Ltd. (SES)	Energy technology service business	100%	100%	100%	Note 7
Sino-American Silicon Products Inc.	Taiwan Speciality Chemicals Corporation (Taiwan Speciality Chemicals)	Semiconductor special gas and chemical materials	30.09%	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%	27.62%	
Sino-American Silicon Products Inc.	Actron Technology Corporation (Actron)	Manufacturing and trading of automotive semiconductors	24.58%	24.58%	-	Note 5
Sino-American Silicon Products Inc.	Mosel Vitekic Inc. (Mosel)	Semiconductor holding company	-	-	-	
SAS Sunrise Inc.	Sulu Electric Power and Light Inc. (Sulu)	Electricity activities	40%	40%	40%	Note 1 and 7
SAS Sunrise Inc.	AMLED International Systems Inc. (AMLED)	Investment activities	-	-	-	Note 2 and 7
AMLED	Sulu	Electricity activities	45%	45%	45%	Note 7
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Solar cell manufacturing and sale and wholesale of electronic materials	100%	100%	100%	Note 7
SAS Capital Co., Ltd. (SSH)	Sustainable Hydropower Energy Solution Co., Ltd. (SHE)	Energy technology service business	51%	51%	-	Note 4 and 7
GlobalWafers	GlobalSemiconductor Inc. (GSI)	Investment activities	100%	100%	100%	

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

Name of Investor	Name of subsidiary	Business	Percentage of Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
GlobalWafers	GlobalWafers Japan Co., Ltd. (GWJ)	Manufacturing and trading of silicon wafers	100%	100%	100%	
GlobalWafers	GlobalWafers Singapore Pte. Ltd. (GWS)	Investment activities	100%	100%	100%	
GlobalWafers	Sunrise PV Four Co., Ltd. (Sunrise PV Four)	Electricity activities	100%	100%	100%	
GlobalWafers	Sunrise PV Electric Power Five Co., Ltd. (Sunrise PV Five)	Electricity activities	100%	100%	100%	
GlobalWafers	GWC Capital Co., Ltd (GWH)	Investment activities	100%	100%	100%	
GlobalWafers	GlobalWafers GmbH (GW GmbH)	Investment activities	100%	100%	100%	
GlobalWafers	GlobalWafers B.V. (GWBV)	Investment activities	100%	100%	100%	
GlobalWafers	Crystalwise Technology Inc. (CWT)	Manufacturing and trading of optoelectronic wafers and substrate material	100%	100%	-	Note 3(1)
GlobalWafers	Hongwang Investment Co., Ltd. (Hongwang)	Investment activities	30.98%	30.98%	-	Note 6
GSI	Kunshan Sino Silicon Technology Co., Ltd. (SST)	Processing and trading of ingots and wafers	100%	100%	100%	
GWJ	MEMC Japan Ltd. (MEMC Japan)	Manufacturing and trading of silicon wafers	100%	100%	100%	
SST	MEMC Electronic Materials, Sdn Bhd (MEMC Sdn Bhd)	Research and development, manufacturing and trading of silicon wafers	100%	100%	100%	
SST	Kunshan SST Trading Co., Ltd. (KST)	Sales, marketing and trading activities	100%	100%	100%	
SST	Shanghai Sawyer Shenkai Technology Material Co., Ltd. (SSKT)	Manufacturing and sales of lithium tantalate and lithium niobate wafers	100%	100%	-	Note 3(3)
CWT	Crystalwise Technology (HK) Limited (Crystalwise (HK))	Investment activities	100%	100%	-	Note 3(1)

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

Name of Investor	Name of subsidiary	Business	Percentage of Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
CWT	Yuan Hong (SHANDONG) Technical Materials Ltd. (YHTM)	Manufacturing and trading of optoelectronic wafers and substrate material	19.96%	19.06%	-	Note 3(1)
GWBV	MEMC Electronic Materials, SpA (MEMC SpA)	Manufacturing and trading of silicon wafers	100%	100%	100%	
MEMC SpA	MEMC Electronic Materials France SarL (MEMC SarL)	Trading	100%	100%	100%	
GWBV	MEMC Korea Company (MEMC Korea)	Manufacturing and trading of silicon wafers	100%	100%	100%	
GWBV	MEMC Ipoh Sdn Bhd (MEMC Ipoh)	Manufacturing and trading of silicon wafers	100%	100%	100%	
GWBV	GlobiTech Incorporated (GTI)	Manufacturing and trading of epitaxial wafers and silicon wafers	100%	100%	100%	
GWBV	Topsil GlobalWafers A/S (Topsil A/S)	Manufacturing and trading of silicon wafers	100%	100%	100%	
Crystalwise (HK)	YHTM	Manufacturing and trading of optoelectronic wafers and substrate material	80.31%	80.94%	-	Note 3(1)
GTI	MEMC LLC	Research and development, manufacturing and trading of silicon wafers	100%	100%	100%	
GTI	GlobalWafers America, LLC (GWA)	Manufacturing and trading of silicon wafers	100%	100%	100%	
Topsil A/S	Topsil Semiconductor sp z o o. (Topsil PL)	Manufacturing and trading of silicon wafers	-	-	100%	Note 3(2)
SSKT	Yuan Hong Technical Materials Ltd. (MHTM)	Manufacturing and sales of lithium tantalate and lithium niobate wafers	90%	90%	-	Note 3(3)
Actron	DING-WEI Technology Co., Ltd. (DING-WEI Technology)	Manufacture of electronic components and motor parts	100%	100%	-	Note 5
Actron	Smooth International Limited Corporation (SILC)	Investment activities	100%	100%	-	Note 5 and 7
SILC	Smooth Autocomponent Limited (SAL)	Investment activities	100%	100%	-	Note 5 and 7
SAL	Smooth Auto Parts (Qingdao) Co., Ltd. (Smooth)	Manufacture of motor parts	100%	100%	-	Note 5 and 7

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

Name of Investor	Name of subsidiary	Business	Percentage of Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
Actron	REC Technology Corporation (REC Technology)	Manufacture of motor parts	49%	49%	-	Note 5 and 7
Actron	Bigbest solution, Inc. (Bigbest)	Manufacture of motors parts	28%	28%	-	Note 5 and 7
Actron	Mosel Vitekc Inc. (Mosel)	Semiconductor holding company	29%	29%	-	Note 5
Actron	Hongwang	Investment activities	30%	30%	-	Note 6
Mosel	Giant Haven Investments Ltd. (B.V.I)	Holding company	100%	100%	-	Note 5
Mosel	Mou Fu Investment Consultant Ltd. (Mou Fu Investment)	Leasing, manpower dispatch and various services	100%	100%	-	Note 5
Mosel	Bou-Der Investment, Ltd. (Bou-Der Investment)	Investment activities	47%	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%	80%	-	Note 5 and 7
Mao fu Investment	Bou-Dev Investment	Investment activities	50%	50%	-	Note 5
Mao fu Investment	DenMOS Technology	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs	4%	4%	-	Note 5 and 7

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) On November 1, 2023, the Company 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 Company.
- (2) The liquidation of Topsil PL has been completed in June, 2023.
- (3) 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 its subsidiary MHTM, and had completed the transfer of equity interests on April 23, 2023.

Note 4: SHE was established on July 21, 2023, as a tripartite joint venture between SSH, Principles of Hydropower Deployment Co., LTD. and Bono Investment Ltd.

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

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.

Note 7: The abovementioned subsidiaries are all non-significant subsidiaries, the financial statements of which have not been reviewed by independent auditors.

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

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- A. It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- B. It holds the asset primarily for the purpose of trading;
- C. It expects to realize the asset within twelve months after the reporting period; or
- D. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- A. It expects to settle the liability in its normal operating cycle;
- B. It holds the liability primarily for the purpose of trading;
- C. The liability is due to be settled within twelve months after the reporting period; or
- D. It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(4) Income tax

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

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

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

(5) Employee Benefits

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

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

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

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

6. Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to note 6 to the 2023 annual consolidated financial statements.

(1) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 2,734	8,709	7,576
Demand deposits	23,282,588	17,341,914	26,908,418
Time deposits	16,547,918	12,375,339	48,748,912
Repurchase agreement	<u>1,091,972</u>	<u>1,101,541</u>	<u>1,002,058</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 40,925,212</u></u>	<u><u>30,827,503</u></u>	<u><u>76,666,964</u></u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group considered liquidity and reclassified time deposits to other financial assets—current, amounting to \$23,025,341 thousand, \$30,483,644 thousand and \$13,006,682 thousand, respectively.

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Notes to the Consolidated Financial Statements

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 March 31, 2024, December 31, 2023 and March 31, 2023, the balances of the special accounts were \$2,822,046 thousand, \$2,698,377 thousand and \$2,736,574 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 March 31, 2023, \$2,736,574 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 from January 1 to March 31 of 2023, was reduced by \$2,736,574 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")

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets measured at fair value through profit or loss – current:			
Forward exchange contracts	\$ <u>63</u>	<u>9,995</u>	<u>9,295</u>
Financial assets measured at fair value through profit or loss – non-current:			
Overseas securities held	\$ 11,620,939	12,324,634	9,136,060
Privately offered funds	<u>230,453</u>	<u>242,864</u>	<u>207,848</u>
	<u>\$ 11,851,392</u>	<u>12,567,498</u>	<u>9,343,908</u>
Financial liabilities designated as at fair value through profit or loss – current:			
Forward exchange contracts	\$ 6,773	289	2,037
Swap exchange contract	-	-	2,556
Embedded derivatives of convertible bonds	<u>203,194</u>	<u>204,033</u>	<u>-</u>
	<u>\$ 209,967</u>	<u>204,322</u>	<u>4,593</u>

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

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Financial liabilities designated as at fair value through profit or loss — non-current:			
Embedded derivatives of convertibles bonds	\$ -	-	282,756
Embedded derivatives of overseas equity warrant bonds	936,183	-	-
	<u>\$ 936,183</u>	<u>-</u>	<u>282,756</u>

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

For the three months ended March 31, 2024 and 2023, the dividends of \$2,579 thousand and \$2,081 thousand were incurred from investments in financial assets mandatorily measured at fair value through profit or loss, respectively.

The Group issued overseas bonds with warrant the shares of Siltronic AG in January 2024. In addition, the Group lent this financial asset at fair value through profit or loss to others, please refer to Note 6(15) for details.

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 and financial liabilities mandatorily measured at fair value through profit or loss as of March 31, 2024, December 31, 2023 and March 31, 2023:

<u>March 31, 2024</u>				
	<u>Contract amount</u> <u>(in thousands)</u>		<u>Currency</u>	<u>Maturity date</u>
Forward exchange contracts:				
Forward exchange contracts bought	USD 1,370		USD to NTD	April 8, 2024~ April 26, 2024
Forward exchange contracts sold	USD 24,350		USD to EUR	April 26, 2024~ June 27, 2024
<u>December 31, 2023</u>				
	<u>Contract amount</u> <u>(in thousands)</u>		<u>Currency</u>	<u>Maturity date</u>
Forward exchange contracts:				
Forward exchange contracts sold	USD 21,050		USD to EUR	January 6, 2024~ February 27, 2024

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

March 31, 2023				
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts:				
Forward exchange contracts sold	USD	36,450	USD to EUR	April 27, 2023~ June 28, 2023
Swap exchange contract:				
Currency exchange	EUR	3,500	EUR to NTD	May 3, 2023~ June 12, 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

	March 31, 2024	December 31, 2023	March 31, 2023
Equity investments at fair value through other comprehensive income:			
Equity investment in foreign entities	\$ 1,703,022	1,335,211	935,682
Equity investment in domestic entities	<u>2,416,022</u>	<u>2,129,654</u>	<u>1,074,079</u>
Total	<u>\$ 4,119,044</u>	<u>3,464,865</u>	<u>2,009,761</u>

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

From January 1, 2024 to March 31, 2024, the Group has sold its domestic equity investments at fair value through other comprehensive income as a result of the change in the Group's operational planning. The fair value of the shares at the time of disposal was \$223,429 thousand, and the accumulated disposal gains amounted to \$155,514 thousand. Therefore, the aforementioned accumulated disposal gains attributable to the parent company amounting to \$75,983 thousand was reclassified from other equity to retained earnings.

No strategic investments were disposed for the three months ended March 31, 2024 and 2023, 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.

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

- (4) Financial assets measured at amortized cost—current and non-current

	March 31, 2024	December 31, 2023	March 31, 2023
Current:			
Corporate bonds—Crystalwise Technology Inc.	\$ <u>-</u>	<u>-</u>	<u>330,018</u>

This is a one-year private corporate bond issued by CWT. 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.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 316,992	242,784	161,622
Accounts receivable	12,106,983	12,010,476	11,118,321
Less: Allowance for doubtful accounts	<u>(20,599)</u>	<u>(25,211)</u>	<u>(46,543)</u>
	<u>\$ 12,403,376</u>	<u>12,228,049</u>	<u>11,233,400</u>

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

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

	March 31, 2024		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 496,916	0%	-
1 to 30 days past due	<u>24,052</u>	0%	<u>-</u>
Total	<u>\$ 520,968</u>		<u>-</u>

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	December 31, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 598,512	0%	-
1 to 30 days past due	59,684	0%	102
More than 181 days past due	3,577	100%	3,577
Total	<u><u>\$ 661,773</u></u>		<u><u>3,679</u></u>

	March 31, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 745,506	0%	-
1 to 30 days past due	66,665	0%	-
More than 181 days past due	3,490	100%	3,490
Total	<u><u>\$ 815,661</u></u>		<u><u>3,490</u></u>

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

	March 31, 2024		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 10,535,676	0%	-
1 to 30 days past due	231,532	0%	-
31 to 60 days past due	16,156	14%	2,302
61 to 90 days past due	2,794	29%	814
91 to 120 days past due	4,433	13%	596
151 to 180 days past due	304	70%	213
More than 181 days past due	14,506	100%	14,506
Total	<u><u>\$ 10,805,401</u></u>		<u><u>18,431</u></u>

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	December 31, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 10,425,678	0%	-
1 to 30 days past due	173,036	0%	-
31 to 60 days past due	25,511	0%	1,267
61 to 90 days past due	1,705	21%	512
91 to 120 days past due	2,639	99%	1,319
More than 181 days past due	16,169	100%	16,169
Total	<u><u>\$ 10,644,738</u></u>		<u><u>19,267</u></u>

	March 31, 2023		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 10,344,211	0%	-
1 to 30 days past due	126,475	0%	2,820
31 to 60 days past due	20,912	0%	4,690
61 to 90 days past due	3	21%	-
91 to 120 days past due	24,459	99%	24,459
More than 181 days past due	11,084	100%	11,084
Total	<u><u>\$ 10,527,144</u></u>		<u><u>43,053</u></u>

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

	March 31, 2024		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 1,081,941	0%	-
1 to 30 days past due	7,525	0%	-
31 to 60 days past due	7,087	25%	1,761
61 to 90 days past due	781	17%	135
151 to 180 days past due	272	100%	272
Total	<u><u>\$ 1,097,606</u></u>		<u><u>2,168</u></u>

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	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	<u><u>\$ 946,749</u></u>		<u><u>2,265</u></u>

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

	For the three months ended March 31,	
	2024	2023
Balance on January 1	\$ 25,211	23,317
Expected credit loss recognized	(4,709)	23,234
Foreign exchange gains (losses)	97	(8)
Balance on March 31	<u><u>\$ 20,599</u></u>	<u><u>46,543</u></u>

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

The Group's accounts receivable factoring was as follows:

(Unit: currency in thousand)

counterparty	Sale amount		Amount available for advance payment		Amount advanced		Annual interest rate on the amount advanced
							(%)
January, 2024～March, 2024							
Citibank	USD	7,296	USD	-	USD	7,296	6.62～7.27
	EUR	6,050	EUR	-	EUR	6,050	4.95～5.20
2023							
Citibank	USD	6,191	USD	-	USD	6,191	6.54～7.19
	EUR	5,171	EUR	-	EUR	5,171	4.97～5.22

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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

	March 31, 2024	December 31, 2023	March 31, 2023
Finished goods	\$ 3,297,379	2,857,518	2,682,356
Work in progress	4,312,685	3,656,576	2,970,318
Raw materials	6,157,478	6,042,303	5,341,726
	<u>\$ 13,767,542</u>	<u>12,556,397</u>	<u>10,994,400</u>

Components of operating costs were as follows:

	For the three months ended March 31,	
	2024	2023
Cost of goods sold	\$ 13,529,705	13,009,962
Recognition of provisions for inventory valuation loss (reversal)	(63,351)	113,373
Unallocated fixed manufacturing expense	117,961	271,970
Reversal of provision loss	(86,959)	(84,185)
	<u>\$ 13,497,356</u>	<u>13,311,120</u>

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		
			March 31, 2024	December 31, 2023	March 31, 2023
Actron	Mainly engages in the manufacturing of electronic component	Taiwan	Note 4(2)	Note 4(2)	22.75 %
CWT	Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material	Taiwan	Note 4(2)	Note 4(2)	31.61 %
Hongwang	The main business is general trading	Taiwan	Note 4(2)	Note 4(2)	30.98 %

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Names of affiliated companies	Relationship with the Group	Main location/ country registered in	Percentage of equity ownership interests and voting rights		
			March 31, 2024	December 31, 2023	March 31, 2023
Accu Solar Corporation (ASC)	The main business is providing solar modules	Taiwan	24.70 %	24.70 %	24.7 %
Excelliance MOS Corporation	Mainly engages in the manufacturing of semiconductor	Taiwan	29.00 %	29.00 %	- %

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

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of individually insignificant associates' equity	\$ <u>1,530,834</u>	<u>1,494,831</u>	<u>2,711,531</u>

A. Collateral

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

B. The unreviewed

As of March, 2024, investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed. As of March, 2023, except for Crystalwise, Actron, Hongwang, Advanced Wireless, investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(8) Material non-controlling interests of subsidiaries

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

Name of subsidiary	Main business place / company registered country	% of ownership interests under non-controlling interests as well as the voting rights		
		March 31, 2024	December 31, 2023	March 31, 2023
GlobalWafers	Taiwan	48.86 %	48.86 %	48.83 %
Actron	Taiwan	75.42 %	75.42 %	Note 4(2)
Advanced Wireless	Taiwan	72.38 %	72.38 %	72.38 %

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.

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A. The following summarizes the financial information of GlobalWafers:

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 94,087,736	90,101,089	111,565,213
Non-current assets	108,695,349	98,886,912	64,405,698
Current liabilities	(67,564,124)	(74,274,283)	(36,366,243)
Non-current liabilities	(63,697,509)	(48,260,093)	(81,435,988)
Net assets	<u>\$ 71,521,452</u>	<u>66,453,625</u>	<u>58,168,680</u>
Net assets attributable to non-controlling interests	<u>\$ 34,945,381</u>	<u>32,469,241</u>	<u>28,403,766</u>

	For the three months ended March 31,	
	2024	2023
Sales revenue	<u>\$ 15,087,063</u>	<u>18,616,154</u>
Net income	\$ 3,533,081	5,000,228
Other comprehensive income	1,534,746	(1,155,553)
Net profit attributable to non-controlling interests	<u>\$ 5,067,827</u>	<u>3,844,675</u>
Net income, attributable to non-controlling interests	<u>\$ 1,726,263</u>	<u>2,441,611</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 2,476,014</u>	<u>1,877,355</u>
Net cash flows from operating activities	\$ 2,088,338	7,238,614
Net cash flows used in investing activities	(3,193,541)	(12,661,437)
Net cash flows used in financing activities	9,362,447	878,351
Effects of changes in foreign exchange rates	1,250,415	990,517
Net increase (decrease) in cash and cash equivalents	<u>\$ 9,507,659</u>	<u>(3,553,955)</u>

B. The following summarizes the financial information of Actron

	March 31, 2024	December 31, 2023
Current assets	\$ 5,148,173	5,211,771
Non-current assets	10,643,517	10,201,865
Current liabilities	(3,488,813)	(3,279,653)
Non-current liabilities	(2,242,386)	(2,099,733)
Net assets	<u>\$ 10,060,491</u>	<u>10,034,250</u>
Net assets attributable to non-controlling interests	<u>\$ 7,587,622</u>	<u>7,567,831</u>

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	For the three months ended March 31, 2024, 2024
Sales revenue	\$ 1,760,124
Net income	\$ 214,457
Other comprehensive income	303,228
Net profit attributable to non-controlling interests	\$ 517,685
Net income, attributable to non-controlling interests	\$ 161,743
Comprehensive income, attributable to non-controlling interests	\$ 390,438
Net cash flows from operating activities	\$ 294,655
Net cash flows used in investing activities	393,021
Net cash flows used in financing activities	(225,838)
Effects of changes in foreign exchange rates	1,935
Net increase in cash and cash equivalents	\$ 463,773

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

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 3,837,831	3,572,983	2,305,361
Non-current assets	5,426,071	5,228,068	5,345,621
Current liabilities	(898,163)	(828,039)	(291,699)
Non-current liabilities	(669,603)	(490,896)	(155,503)
Net assets	\$ 7,696,136	7,482,116	7,203,780
Net assets attributable to non-controlling interests	\$ 5,570,463	5,415,556	5,214,096

	For the three months ended March 31, 2024	2023
Sales revenue	\$ 1,286,220	341,676
Net income	\$ 214,020	(195,610)
Net profit attributable to non-controlling interests	\$ 214,020	(195,610)
Net income, attributable to non-controlling interests	\$ 154,908	(141,583)
Comprehensive income, attributable to non-controlling interests	\$ 154,908	(141,583)

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	For the three months ended March 31,	
	2024	2023
Net cash flows from operating activities	\$ 60,947	7,883
Net cash flows used in investing activities	(354,838)	(182,284)
Net cash flows from used in financing activities	187,999	59,314
Decrease in cash and cash equivalents	\$ (105,892)	(115,087)

(9) 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, 2024	\$ 5,804,320	32,112,614	77,638,895	13,008,662	34,760,600	163,325,091
Additions	-	21,827	128,301	73,266	10,754,974	10,978,368
Disposals	-	(6,940)	(1,065,458)	(83,076)	-	(1,155,474)
Reclassification and transfer	-	422,169	3,244,834	7,647	(2,775,046)	899,604
Effect of changes in exchange rates	26,170	(71,684)	(302,580)	232,497	604,351	488,754
Balance at March 31, 2024	\$ 5,830,490	32,477,986	79,643,992	13,238,996	43,344,879	174,536,343
Balance at January 1, 2023	\$ 4,075,968	21,157,254	54,827,539	10,996,666	9,096,604	100,154,031
Additions	4	4,336	449,438	222,531	5,031,809	5,708,118
Disposals	-	(22,438)	(269,978)	(135,848)	-	(428,264)
Reclassification and transfer	1,193	21,091	553,154	274,959	(580,955)	269,442
Effect of changes in exchange rates	(68,522)	(236,603)	(1,042,028)	(80,821)	(59,841)	(1,487,815)
Balance at March 31, 2023	\$ 4,008,643	20,923,640	54,518,125	11,277,487	13,487,617	104,215,512
Depreciation and impairment loss:						
Balance at January 1, 2024	\$ 24,476	14,839,645	52,048,814	6,703,633	40,834	73,657,402
Depreciation for the period	-	292,874	1,714,890	224,656	-	2,232,420
Impairment loss	-	-	(32,881)	-	-	(32,881)
Disposals	-	(6,839)	(1,013,803)	(82,029)	-	(1,102,671)
Reclassification and transfer	-	5,438	485,486	(1,630)	-	489,294
Effect of changes in exchange rates	-	(29,694)	(167,700)	58,952	(335)	(138,777)
Balance at March 31, 2024	\$ 24,476	15,101,424	53,034,806	6,903,582	40,499	75,104,787
Balance at January 1, 2023	\$ -	10,530,885	32,490,225	5,215,953	51,006	48,288,069
Depreciation for the period	-	200,823	1,514,730	195,882	-	1,911,435
Disposals	-	(19,975)	(256,272)	(135,838)	-	(412,085)
Reclassification and transfer	-	-	813	-	-	813
Effect of changes in exchange rates	-	(115,219)	(664,130)	(36,569)	(329)	(816,247)
Balance at March 31, 2023	\$ -	10,596,514	33,085,366	5,239,428	50,677	48,971,985

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	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Construction in progress and equipment awaiting inspection</u>	<u>Total</u>
Carrying amounts:						
Balance at January 1, 2024	\$ 5,779,844	17,272,969	25,590,081	6,305,029	34,719,766	89,667,689
Balance at March 31, 2024	\$ 5,806,014	17,376,562	26,609,186	6,335,414	43,304,380	99,431,556
Balance at January 1, 2023	\$ 4,075,968	10,626,369	22,337,314	5,780,713	9,045,598	51,865,962
Balance at March 31, 2023	\$ 4,008,643	10,327,126	21,432,759	6,038,059	13,436,940	55,243,527

B. Collateral

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

C. Property, plant and equipment in construction

As of March 31, 2024 and 2023, for the Group's capital expenditure plan, the total amount of expenditures incurred but the construction has not yet been completed is \$43,304,380 thousand and \$13,436,940, respectively, which includes capitalized borrowing costs related to the acquisition of the construction of the property, plant and equipment of \$270,758 thousand and \$73 thousand, calculated using a capitalization interest rate of 0.09%-5.92% and 0.67%-1.23%.

(10) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Total</u>
Carrying amount:					
Balance at January 1, 2024	\$ 895,985	116,828	-	446,861	1,459,674
Balance at March 31, 2024	\$ 887,480	109,222	802	447,658	1,445,162
Balance at January 1, 2023	\$ 623,144	117,958	112	74,748	815,962
Balance at March 31, 2023	\$ 610,483	105,351	72	443,879	1,159,785

The leased assets recognized by the Group, such as land, buildings machinery and equipment did not have significant additions, impairment or reversals during the period from for the three months ended March 31, 2024 and 2023. For further information, please refer to note 6(11) of the consolidated financial statements for the year ended 2023.

(11) Intangible assets

There were no significant additions, disposals, impairments, or reversals of intangible assets by the consolidated company during the period for the three months ended March 31, 2024 and 2023. For further details, please refer to note 6(12) in the consolidated financial statements for the year ended 2023.

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(12) Other assets — current and non-current

	March 31, 2024	December 31, 2023	March 31, 2023
Prepayment of materials	\$ 1,016,077	1,041,924	1,174,399
Tax refunds and credits	1,370,036	1,314,909	917,488
Prepayment of equipment	5,257,883	4,265,005	4,028,072
Others	936,355	852,312	734,730
	<u>\$ 8,580,351</u>	<u>7,474,150</u>	<u>6,854,689</u>

(13) Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank loans	\$ 21,536,578	31,397,962	11,623,950
Secured bank loans	7,035,990	413,200	-
	<u>\$ 28,572,568</u>	<u>31,811,162</u>	<u>11,623,950</u>
Range of interest rates at the end of period	<u>0.39%~5.94%</u>	<u>0.7%~6.07%</u>	<u>1.39%~3.51%</u>

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

(14) Long-term borrowings

The details of long-term borrowings were as follows:

March 31, 2024			
	Interest	Maturity	Amount
Unsecured borrowings	0.10%~6.00%	2026.1~2029.12	\$ 6,653,273
Less: current portion			(2,305,363)
Total			<u>\$ 4,347,910</u>
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			<u>\$ 4,514,138</u>
March 31, 2023			
	Interest	Maturity	Amount
Secured bank loans	0.16%~0.28%	2026.1~2026.3	\$ 4,576,000
Unsecured borrowings	1.13%~5.80%	2028.3~2029.12	920,365
Less: current portion			(222,176)
Total			<u>\$ 5,274,189</u>

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

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(15) Bonds payable

The details of bonds payable were as follow:

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured corporate bonds — GlobalWafers	\$ 23,986,825	18,991,451	18,987,445
Unsecured corporate bonds — GlobalWafers	6,317,819	6,647,050	21,858,982
Overseas equity warrant bonds	10,090,683	-	-
Unsecured convertible bonds — Actron	765,569	762,039	-
Less: current portion	(13,416,852)	(13,745,450)	-
Total	<u>\$ 27,744,044</u>	<u>12,655,090</u>	<u>40,846,427</u>

A. The details of GlobalWafer's issued unsecured bonds as follows:

	First issued of 2021	Second issued of 2021		First issued of 2024	
	2021	Bonds A	Bonds B	Bonds A	Bonds B
Date	May 11, 2021	August 19, 2021	August 19, 2021	March 19, 2024	March 19, 2024
Total amount	\$ 6,500,000	7,100,000	5,400,000	2,500,000	2,500,000
Rate	0.62 %	0.50 %	0.60 %	1.70 %	1.75 %
Period	Five years	Three years	Five years	Five years	Seven years
Due date	May 11, 2026	August 19, 2024	August 19, 2026	March 19, 2029	March 19, 2031

B. On April 21, 2021, the GlobalWafer's Board of Directors resolved to issue the first unsecured overseas convertible bonds on the Singapore Exchange Limited, which had been approved by the Financial Supervisory Commission with approval No.1100342091 on May 19, 2021. The Group issued the five-year unsecured convertible bond, amounting to US\$1,000,000 thousand at zero coupon rate, with the maturity date on June 1, 2026.

The details of unsecured convertible bonds were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Total outstanding convertible bonds	\$ 6,483,497	6,841,854	22,703,268
Unamortized discount	(165,678)	(194,804)	(844,286)
Cumulative converted amount	-	-	-
Convertible bonds balance at period-end	<u>\$ 6,317,819</u>	<u>6,647,050</u>	<u>21,858,982</u>
Embedded derivative – call and put options, included in financial liabilities at fair value through profit or loss	<u>\$ 203,194</u>	<u>204,033</u>	<u>282,756</u>

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	For the three months ended March 31,	
	2024	2023
Embedded derivatives – gain and losses of re-measurement of calls and put options based on fair value (recorded under other gains and losses)	\$ 9,847	171,203
Interest expense	\$ 18,922	68,057

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

Except for the early redemption, redemption and cancellation or conversion of the convertible bonds, the holders may request the Group to redeem entire or part of the convertible bonds according to the early redemption amount on the day of June 1, 2024. So, on June 1, 2023, the unsecured convertible bonds were reclassified to current liabilities. It does not mean that the holders will definitely demand repayment of the debt from the Group within the next year.

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.

As of March 31, 2024, December 31, 2023, and March 31, 2023, the conversion price of the bonds was NT\$956.53, NT\$970.33 and NT\$988.86, after the issuance of the bonds, the conversion price shall be adjusted in accordance with the relevant antidilution provisions of the contract.

The GlobalWafer redeemed the first unsecured overseas convertible bonds of US\$13,000 thousand and US\$75,600 thousand, respectively, in 2024 and 2023, resulting in the invalid conversion right of \$22,145 thousand and \$128,782 thousand to be reclassified from capital surplus – share options to capital surplus – others. As of March 31, 2024, December 31, 2023 and March 31, 2023, the balance of the GlobalWafer's first unsecured overseas convertible bonds amounted to US\$235,200 thousand, US\$248,200 thousand and US\$823,600 thousand, respectively.

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- C. The GlobalWafer (subsidiary GW GmbH) issued a bond with 1.5% coupon rate, with interest payable annually on January 23, 2024. At the time of issuance of the bond, the GlobalWafer separated the option, redemption option and call and put options (collectively referred to as the "options") from the host contract in accordance with IFRS 9 and accounted for "Financial liabilities at fair value through profit or loss-current". Financial liabilities at fair value through profit or loss (FVTPL) as of March 31, 2013 are summarized below:

The details of the GlobalWafer's overseas equity warrant bonds are as follows:

	March 31, 2024
Total overseas equity warrant bonds	\$ 11,895,592
Unamortized discount	(1,804,909)
Total overseas equity warrant bonds period-end	\$ 10,090,683
	For the three months ended March 31, 2024
Embedded derivative - options, included in financial liabilities at fair value through profit or loss	\$ 936,183
Embedded derivatives - gain and losses of re-measurement of calls and put options based on fair value (recorded under other gains and losses)	\$ 837,467
Interest expense	\$ 97,957

The principal terms of issue of the above overseas equity warrant bonds are set out below:

- (a) Total amount issued: EUR 345,200 thousand (EUR 100 thousand per sheet).
- (b) Issue period: five years.
- (c) Expiry date: January 23, 2029
- (d) Important Terms and Conditions:
 - i After three years from the issuance date, holders of overseas equity warrant bonds may exercise the put right to sell back the bonds at par value.
 - ii The options were exercised 3,100,413 ordinary shares of Siltronic AG held by GW GmbH at a price of EUR 111.34 per share, which will be adjusted in subsequent years in accordance with the terms of the contract and the dividend payment situation of Siltronic AG, and the price of EUR 111.34 per share as of March 31, 2024. The share options are exercisable immediately from the date of issuance of the overseas equity warrant bonds.
 - iii The GlobalWafer is the guarantor of the overseas equity warrant bonds.
 - iv In the event of changes of control over the guarantor or stock-delisting in the market of Siltronic AG, the holders may request to redeem entire of the bonds by book value.

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In addition, according to the above reasons, GW GmbH had signed a security leading contract with the issuance consultant, as of March 31, 2024, GW GmbH had lent 1,500 thousand shares of Siltronic AG to the issuance consultant.

D. The details of Actron's bonds payable were as follow:

	March 31, 2024	December 31, 2023
Unsecured convertible bonds — Actron	\$ 799,900	799,900
Less: discount on bonds	(34,331)	(37,861)
Total	<u>\$ 765,569</u>	<u>762,039</u>

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.

The conversion prices on March 31, 2024 and December 31, 2023 were both NT\$208 per share. When common shares qualify for conversion price adjustment in accordance to the term of issue, such adjustment will be made by Actron based on a formula in accordance with the terms of issue.

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The convertible corporate bonds include liability and equity components. The equity components are stated as capital reserves - stock warrants 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	<u>36</u>
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	<u>(96)</u>
Components of liabilities as of December 31, 2023	762,039
Interest calculated based on effective interest rate 1.8659%	<u>3,530</u>
Components of liabilities as of March 31, 2024	<u><u>\$ 765,569</u></u>

(16) Lease liabilities

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

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Current (recognized under other current liabilities)	\$ <u>191,795</u>	<u>199,210</u>	<u>180,228</u>
Non-current (recognized under other non-current liabilities)	\$ <u>1,258,025</u>	<u>1,264,422</u>	<u>990,033</u>

For the maturity analysis, please refer to note 6(27) "Financial instruments".

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	<u>2024</u>	<u>2023</u>
Interest on lease liabilities	\$ <u>6,931</u>	<u>4,676</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>2,236</u>	<u>1,507</u>
Expenses relating to short-term leases	\$ <u>6,574</u>	<u>8,519</u>
Expenses relating to leases of low value assets, excluding short term leases of low value assets	\$ <u>3,107</u>	<u>2,468</u>

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

	For the three months ended March 31,	
	2024	2023
Total cash outflow for leases	\$ <u>76,342</u>	<u>62,806</u>

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.

(17) 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, 2024	\$ <u>60,580</u>	<u>3,299,865</u>	<u>135,537</u>	<u>3,495,982</u>
Balance of March 31, 2024	\$ <u>62,284</u>	<u>3,212,907</u>	<u>96,655</u>	<u>3,371,846</u>
Balance of January 1, 2023	\$ <u>59,888</u>	<u>3,583,065</u>	<u>121,055</u>	<u>3,764,008</u>
Balance of March 31, 2023	\$ <u>58,782</u>	<u>3,498,882</u>	<u>95,688</u>	<u>3,653,352</u>

There were not significant changes in the consolidated company's provision for liabilities during the three months ended March 31, 2024 and 2023. For relevant information, please refer to Notes 6(18) of the consolidated financial statement for the fiscal year 2023.

(18) Employee benefits

A. Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

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The expenses reported by the consolidated company for the for the three months ended March 31, 2024 and 2023 were \$78,673 and \$66,775 thousand, respectively.

B. Defined contribution plans

The Company's domestic subsidiaries' pension costs incurred from contributions to the defined contribution plan were \$40,258 thousand and \$31,580 thousand for the three month ended March 31, 2024 and 2023, 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 \$85,673 thousand and \$79,765 thousand for its overseas subsidiaries three month ended March 31, 2024 and 2023, respectively.

(19) Income tax

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

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

	For the three months ended	
	March 31,	
	2024	2023
Current income tax expense	<u><u>\$ 1,109,502</u></u>	<u><u>1,893,706</u></u>

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

	For the three months ended	
	March 31,	
	2024	2023
Current income tax expense (benefit) Not reclassified to profit or loss items:		
Unrealized gains or losses on equity investments measured at fair value through other comprehensive income	<u><u>\$ 42,239</u></u>	<u><u>(36,720)</u></u>
Subsequent items that may be reclassified to profit or loss:		
Exchange differences on the translation of financial statements foreign operations	<u><u>\$ 340,992</u></u>	<u><u>(288,739)</u></u>

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C. Income tax assessment status

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

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%. The newly enacted tax legislation in Korea is effective from January 1, 2024, the current tax impact had been estimated for the three month ended March 31, 2024.

(20) Capital and other equity

Apart from the following, there were no significant changes in the capital and other equity of the consolidated company during the period from January 1 to March 31, 2024 and 2023. For further information, please refer to Note 6(21) of the consolidated financial statement for fiscal year 2023.

A. Capital surplus

The balances of capital surplus were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Additional paid in capital	\$ 7,195,673	7,195,673	7,195,673
Difference between the consideration and the carrying amount of subsidiaries' share acquired or disposed	1,300,599	1,447,251	1,447,251
Capital surplus recognized under the equity method	7,819,804	7,670,021	7,562,406
Treasury stock transactions	88,499	33,314	33,314
Employee stock options and others	608,952	608,952	608,429
	<u><u>\$ 17,013,527</u></u>	<u><u>16,955,211</u></u>	<u><u>16,847,073</u></u>

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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.

B. 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 May 10, 2024 and December 15, 2023, the Company's Board of Directors resolved to distribute the first half and second 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
Appropriation of the annual earnings	5.30	3,106,975
Total	<u><u>\$ 8.80</u></u>	<u><u>5,158,751</u></u>

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On May 5, 2023 and December 8, 2022 the Board of Directors resolved to distribute for the first half and second half of 2022 earnings, respectively. The earnings were appropriated as follows:

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

The difference between the relevant earnings distribution amount for 2023 and 2022 and the company's board of directors resolution are \$14 thousand and \$24 thousand due to rounding of less than \$1, respectively. The above-mentioned relevant information can be obtained through channel such as Market Observation Post System.

C. Treasury shares

Hongwang and Actron acquired 25,050 thousand and 2,000 thousand shares of the Company's shares, respectively, based on their investment strategies. As of October 2, 2023, the Group obtained the control over the Actron, therefore, the Company directly and indirectly holds more than half of the shares of Hongwang. 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 March 31, 2024, the market price of the Company was NT\$214.5 per share. Hongwang and Actron owned 27,050 thousand shares of the company.

(21) Share-based payment

A. The share-based payment agreement of Mosel Vitelic Inc. in 2023 is as follows:

Type of agreement	Grant date	Fair value (NT\$)	Grant quantity	Agreed price	Contract period	Vesting condition
Restricted share plan (Note1)	December 11, 2023	\$ 34.65	1,000 thousand shares	-	3 years	(Note2)

Note 1: Restricted shares issued by the Mosel Vitelic Inc. shall not be transferred during the vesting period. However, their voting rights are not restricted. If an employee resigns or passes away not due to an occupational disaster before the vested conditions are met, the Mosel Vitelic Inc. will take back his or her shares at the issue price and cancel them.

Note 2: 30% of the restricted shares will be vested immediately after one year and two years of service following the grant date, respectively, and the remaining 40% will be vested after three years of service. If an employee's performance in any of the three years from the grant date fails to meet the Mosel Vitelic Inc.'s performance conditions, the Mosel Vitelic Inc. will take back the unvested shares from the employee at the issue price in the current year.

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B. The details of the above share-based payment agreement are as follows:

	Number of shares (in thousand shares)
	For the three months ended March 31, 2023
Beginning balance	1,000
Current grant	-
Vested for the period	-
Ending balance	1,000

C. The Mosel Vitelic Inc.'s board of directors adopted a resolution on March 7, 2023 to issue 1,000,000 restricted shares. The record date for the issuance was set on December 11, 2023. The subscription price per share was NT\$10. Before meeting the vesting conditions, employees are not allowed to transfer the restricted shares and are not entitled to share allotment and dividends. All the other rights and obligations for this issuance of ordinary shares are the same as those for the other issued ordinary shares.

(22) Earnings per Share

A. Basic earnings per share

	For the three months ended March 31,	
	2024	2023
Net income attributable to the shareholders of the Company	\$ 1,902,010	2,469,459
Weighted average number of ordinary shares outstanding (in thousands of shares)	586,222	586,222
Effect of treasury shares	(27,050)	-
Total	559,172	586,222
Basic earnings per share (NT dollar)	\$ 3.40	4.21

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B. Diluted earnings per share

	For the three months ended March 31,	
	2024	2023
Net income attributable to the shareholders of the Company	\$ 1,902,010	2,469,459
Weighted average number of ordinary shares outstanding (in thousands of shares)	559,172	586,222
Effect of dilutive potential ordinary shares (in thousands of shares)	2,203	3,952
Weighted-average number of ordinary shares outstanding (in thousands of shares) (diluted)	561,375	590,174
Diluted earnings per share (NT dollar)	\$ 3.39	4.18

(23) Revenue from contracts with customers

A. Details of revenues

	For the three months ended March 31,			
	2024			
	Semiconductor Segment	Solar energy Segment	Automotive components Segment	Total
Primary geographical markets:				
Taiwan	\$ 3,774,637	327,069	346,668	4,448,374
Northeast Asia (Japan and Korea)	3,846,925	15,649	339,693	4,202,267
Asia-other	3,177,920	690,503	263,961	4,132,384
America	2,473,395	215,645	285,918	2,974,958
Europe	3,142,257	138,293	271,968	3,552,518
Other areas	55,354	74,384	251,916	381,654
	\$ 16,470,488	1,461,543	1,760,124	19,692,155
Major product categories:				
Solar Energy	\$ -	872,212	-	872,212
Semiconductor wafers	15,802,090	4,427	-	15,806,517
Semiconductor ingot	390,243	464	-	390,707
Automotive components	-	-	1,760,124	1,760,124
Others	278,155	584,440	-	862,595
	\$ 16,470,488	1,461,543	1,760,124	19,692,155

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For the three months ended March 31,				
2023				
	Semiconductor Segment	Solar energy Segment	Automotive components Segment	Total
Primary geographical markets:				
Taiwan	\$ 3,631,570	611,804	-	4,243,374
Northeast Asia (Japan and Korea)	5,171,699	14,248	-	5,185,947
Asia-other	4,312,503	207,939	-	4,520,442
America	2,114,144	528,742	-	2,642,886
Europe	3,661,527	415,529	-	4,077,056
Other areas	131,313	102,531	-	233,844
	\$ 19,022,756	1,880,793	-	20,903,549
Major product categories:				
Solar Energy	\$ -	1,756,371	-	1,756,371
Semiconductor wafers	18,612,189	11,532	-	18,623,721
Semiconductor ingot	283,670	603	-	284,273
Others	126,897	112,287	-	239,184
	\$ 19,022,756	1,880,793	-	20,903,549

B. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023
Notes and accounts receivable (including related parties)	\$ 12,403,376	12,228,049	11,296,262
Contract liabilities	\$ 35,054,305	35,464,270	38,464,491

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 three months ended March 31, 2024 and 2023, which was included in the contract liability balance at the beginning of the period, was \$1,507,546 thousand and \$2,008,099 thousand, respectively.

(24) Remuneration to employees and directors

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

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For the three months ended March 31, 2024 and 2023, the Company accrued and recognized its employee remuneration amounting to \$61,290 thousand and \$156,590 thousand and directors remuneration amounting all for \$15,000 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 remuneration of Sino-American Silicon Products Inc. for employees in 2023 and 2022 were \$550,000 thousand dollars and \$564,770 thousand dollars, respectively. Remuneration for directors were both \$55,000 thousand dollars and were not significantly different from actual distribution.

(25) Interest income and financial costs

A. Interest income

	For the three months ended March 31,	
	2024	2023
Interest income from bank deposits	\$ 757,464	748,279
Interest income from financial assets measured at amortized cost	-	1,627
	\$ 757,464	749,906

B. Financial costs

	For the three months ended March 31,	
	2024	2023
Interest expense of borrowings	\$ 98,645	82,038
Interest expense of corporate bonds	151,531	96,072
Interest expense of lease liability	6,931	4,676
	\$ 257,107	182,786

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(26) Other gains and losses

	For the three months ended March 31,	
	2024	2023
Foreign exchange gains	\$ 179,896	93,802
Profit (loss) on financial assets (liabilities) measured at fair value through profit or loss	(40,917)	89,337
Gain (loss) on disposal of property, plant and equipment	24,240	(12,785)
Dividend income	2,579	2,081
Others	8,417	18,656
	\$ 174,215	191,091

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

	For the three months ended March 31,	
	2024	2023
Exchange differences on translation of foreign operations	\$ -	504
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	150,743
	\$ -	151,247

(28) Financial instruments

Except for the following, there has been no significant change in the fair value of the consolidated company's financial instruments and the exposure to credit risk, liquidity risk and market risk due to financial instrument. For relevant information, please refer to note 6(28) of 2023 consolidated financial report.

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 energy, semiconductor and automotive components 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 energy, semiconductor and automotive components. As of March 31, 2024, December 31, 2023, and March 31, 2023, 36%, 41% and 43%, 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.

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(c) Credit risks of receivables and debt securities

For credit risk exposure of notes and trade receivables, please refer to note 6(5).

B. Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years or more</u>	<u>Over 5 years</u>
March 31, 2024							
Non-derivative financial liabilities							
Short-term borrowings	\$ 28,572,568	(28,666,686)	(28,129,082)	(537,604)	-	-	-
Notes and accounts payable (including related parties)	5,311,415	(5,311,415)	(5,277,795)	(31,647)	-	-	(1,973)
Long-term borrowings (including current portion)	6,653,273	(6,978,294)	(1,186,474)	(1,197,703)	(3,017,003)	(954,410)	(622,704)
Lease liabilities - current and non-current	1,449,820	(1,637,593)	(115,476)	(97,260)	(154,050)	(358,776)	(912,031)
Ordinary bonds (including current portion)	23,986,825	(24,772,350)	(7,175,800)	(118,650)	(158,950)	(14,731,450)	(2,587,500)
Convertible bonds (including current portion)	7,083,388	(7,283,398)	(6,483,498)	-	-	(799,900)	-
Dividends payable	479,199	(479,199)	(479,199)	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	196,696	(196,696)	(132,685)	(64,011)	-	-	-
Accrued payroll and bonus	5,128,900	(5,128,900)	(4,771,488)	(357,412)	-	-	-
Overseas equity warrant bonds	10,090,683	(13,700,501)	(174,024)	(177,025)	(739,161)	(12,610,291)	-
Derivative financial							
Forward exchange contracts:							
Outflows	6,773	(819,923)	(819,923)	-	-	-	-
Inflows	(63)	813,213	813,213	-	-	-	-
	<u>\$ 88,959,477</u>	<u>(94,161,742)</u>	<u>(53,932,231)</u>	<u>(2,581,312)</u>	<u>(4,069,164)</u>	<u>(29,454,827)</u>	<u>(4,124,208)</u>

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December 31, 2023	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years or more</u>	<u>Over 5 years</u>
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)
Current and non-current lease liabilities	1,464,632	(1,522,206)	(118,793)	(102,825)	(156,658)	(348,761)	(795,169)
Ordinary corporate 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)	-	-	-
Payroll and bonus payable	5,310,525	(5,310,525)	(5,310,525)	-	-	-	-
Derivative financial							
Swap exchange contracts:							
Forward exchange contracts:							
Outflows	-	(657,024)	(657,024)	-	-	-	-
Inflows	9,706	666,730	666,730	-	-	-	-
	<u><u>\$ 81,269,405</u></u>	<u><u>(82,180,954)</u></u>	<u><u>(54,366,930)</u></u>	<u><u>(8,972,442)</u></u>	<u><u>(2,800,159)</u></u>	<u><u>(14,614,980)</u></u>	<u><u>(1,426,443)</u></u>

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	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years or more</u>	<u>Over 5 years</u>
March 31, 2023							
Non-derivative financial liabilities							
Short-term borrowings	\$ 11,623,950	(11,664,146)	(11,109,945)	(554,201)	-	-	-
Notes and accounts payable (including related parties)	5,440,596	(5,440,596)	(5,413,094)	(27,502)	-	-	-
Long-term borrowings (including current portion)	5,496,365	(5,832,910)	(44,886)	(243,170)	(2,287,980)	(2,503,538)	(753,336)
Lease liabilities - current and non-current	1,170,261	(1,231,486)	(101,637)	(94,566)	(163,080)	(294,452)	(577,751)
Ordinary bonds	18,987,445	(19,361,800)	(108,200)	-	(7,208,200)	(12,045,400)	-
Convertible bonds	21,858,982	(22,703,268)	-	-	-	(22,703,268)	-
Accrued remuneration of directors (recorded under other current liabilities)	146,028	(146,028)	(126,808)	(19,220)	-	-	-
Accrued payroll and bonus	4,683,307	(4,683,307)	(3,390,129)	(1,293,178)	-	-	-
Derivative financial liabilities							
Exchange rate swap contracts							
Outflows	2,556	(118,581)	(118,581)	-	-	-	-
Inflows	-	116,025	116,025	-	-	-	-
Forward exchange contracts:							
Outflows	-	(1,119,461)	(1,119,461)	-	-	-	-
Inflows	7,258	1,126,719	1,126,719	-	-	-	-
	<u>\$ 69,416,748</u>	<u>(71,058,839)</u>	<u>(20,289,997)</u>	<u>(2,231,837)</u>	<u>(9,659,260)</u>	<u>(37,546,658)</u>	<u>(1,331,087)</u>

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:

	March 31, 2024		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 588,634	32.000	18,836,288
JPY	11,398,907	0.2115	2,410,869
EUR	193,416	34.46	6,665,115
CNY	64,758	4.408	285,453

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March 31, 2024			
	Foreign currency	Exchange rate	NTD
<u>Non-monetary items</u>			
USD	900	32.000	Note
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	440,147	32.000	14,084,704
JPY	13,544,464	0.2115	2,864,654
EUR	58,063	34.46	2,000,851
CNY	47,204	4.408	208,075
<u>Non-monetary items</u>			
USD	24,820	32.000	Note
December 31, 2023			
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary Items</u>			
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
<u>Investments accounted for using equity method</u>			
USD	18,850	30.705	Note
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
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
<u>Non-monetary items</u>			
USD	2,200	30.705	Note

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March 31, 2023			
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 711,476	30.45	21,664,444
JPY	7,719,202	0.2288	1,766,153
EUR	197,826	33.15	6,557,932
CNY	36,688	4.431	162,565
<u>Non-monetary items</u>			
USD	23,950	30.45	Note
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	170,789	30.45	5,200,525
JPY	14,099,188	0.2288	3,225,894
EUR	218,539	33.15	7,244,568
CNY	64,588	4.431	286,189
<u>Non-monetary items</u>			
USD	12,500	30.45	Note
EUR	3,500	33.15	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 March 31, 2024 and 2023, net income before income taxes would have decreased or increased by \$90,395 thousand and increased or decreased by \$141,939 thousand for the three months ended March 31, 2024 and 2023, respectively. The analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(c) Foreign exchange gain and losses on monetary exchange

Since the Group has many kinds of functional currencies, the information on foreign exchange gain on monetary items is disclosed by an aggregate amount. For the three months ended March 31, 2024 and 2023, foreign exchange gains (including realized and unrealized portions) amounted to \$179,896 thousand and \$93,802 thousand, respectively.

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D. Interest rate analysis

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

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 \$7,463 thousand and \$6,122 thousand, for the three months ended March 31, 2024 and 2023, 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

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 three months ended March 31,				
	2024		2023		
	Other		Other		
	comprehensive		comprehensive		
Prices of securities at	income before		income before		
the reporting date	tax	Net income	tax	Net income	
Increasing 5%	\$ 205,952	581,047	100,488	456,803	
Decreasing 5%	(205,952)	(581,047)	(100,488)	(456,803)	

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:

	March 31, 2024				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss - current					
Forward exchange contract	\$ <u>63</u>	<u>-</u>	<u>63</u>	<u>-</u>	<u>63</u>

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	March 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss — non-current					
Privately offered fund	\$ 230,453	-	-	230,453	230,453
Overseas securities held	11,620,939	11,620,939	-	-	11,620,939
Subtotal	<u>\$ 11,851,392</u>	<u>11,620,939</u>	<u>-</u>	<u>230,453</u>	<u>11,851,392</u>
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 2,021,421	2,021,421	-	-	2,021,421
Overseas securities held	749,717	749,717	-	-	749,717
Emerging stock	258,744	-	258,744	-	258,744
Non-public offer equity instrument measured at fair value	1,089,162	-	-	1,089,162	1,089,162
Subtotal	<u>\$ 4,119,044</u>	<u>2,771,138</u>	<u>258,744</u>	<u>1,089,162</u>	<u>4,119,044</u>
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 40,925,212	-	-	-	-
Notes and accounts receivable (including related parties)	12,403,376	-	-	-	-
Other financial assets — current and non-current	36,726,112	-	-	-	-
Subtotal	<u>\$ 90,054,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss:					
Forward exchange contract	\$ 6,773	-	6,773	-	6,773
Embedded derivative instruments in convertible bonds	203,194	-	203,194	-	203,194
Embedded derivatives of overseas equity warrant bonds	936,183	-	936,183	-	936,183
Subtotal	<u>\$ 1,146,150</u>	<u>-</u>	<u>1,146,150</u>	<u>-</u>	<u>1,146,150</u>
Financial liabilities measured at amortized cost:					
Short-term borrowings	\$ 28,572,568	-	-	-	-
Notes and accounts payable (including related parties)	5,311,415	-	-	-	-
Long-term borrowings (including current portion)	6,653,273	-	-	-	-
Dividends payable	479,199	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	196,696	-	-	-	-
Accrued payroll and bonus	5,128,900	-	-	-	-
Ordinary bonds (including current portion)	23,986,825	-	-	-	-
Convertible bonds	7,083,388	-	-	-	-
Overseas share option bonds	10,090,683	-	-	-	-
Lease liabilities — current and non-current	1,449,820	-	-	-	-
Subtotal	<u>\$ 88,952,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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December 31, 2023					
	Carrying amount	Fair value			
		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
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 payable (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	-	-	-	-
Convertible bonds	7,409,089	-	-	-	-
Ordinary corporate bonds (including current portion)	18,991,451	-	-	-	-
Lease liabilities — current and non-current	1,464,632	-	-	-	-
Subtotal	\$ 81,259,699	-	-	-	-

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March 31, 2023					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss-current					
Forward exchange contract	\$ 9,295	-	9,295	-	9,295
Financial assets at fair value through profit or loss — non-current					
Private equity	\$ 207,848	-	-	207,848	207,848
Overseas securities	9,136,060	9,136,060	-	-	9,136,060
Subtotal	\$ 9,343,908	9,136,060	-	207,848	9,343,908
Financial assets measured at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 896,721	896,721	-	-	896,721
Overseas securities held	491,162	491,162	-	-	491,162
Emerging stock	55,278	-	55,278	-	55,278
Non-public offer equity instrument measured at fair value	566,600	-	-	566,600	566,600
Subtotal	\$ 2,009,761	1,387,883	55,278	566,600	2,009,761
Financial assets measured at amortized cost					
Cash and cash equivalents	76,666,964	-	-	-	-
Notes and accounts receivable (including related parties)	11,298,758	-	-	-	-
Other financial assets — current and non-current	16,314,913	-	-	-	-
Corporate bonds — current	330,018	-	330,018	-	330,018
Subtotal	\$ 104,610,653	-	330,018	-	330,018
Financial liabilities measured at fair value through profit or loss:					
Forward exchange contract	\$ 2,037	-	2,037	-	2,037
Swap exchange contract	2,556	-	2,556	-	2,556
Embedded derivative instruments in convertible bonds	282,756	-	282,756	-	282,756
	\$ 287,349	-	287,349	-	287,349
Financial liabilities measured at amortized cost:					
Short-term borrowings	11,623,950	-	-	-	-
Notes and accounts payable (including related parties)	5,440,596	-	-	-	-
Long-term borrowings (including current portion)	5,496,365	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	146,028	-	-	-	-
Convertible bonds	21,858,982	-	-	-	-
Ordinary bonds	18,987,445	-	-	-	-
Current and non-current lease liabilities	1,170,261	-	-	-	-
Subtotal	\$ 64,723,627	-	-	-	-

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(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:

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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, 2024	\$ 242,864	1,202,498
Recognized in profit or loss	(4,703)	-
Recognized in other comprehensive income	-	129,995
Refund	(7,708)	-
Reclassification	-	(258,744)
Effect of changes in exchange rate	-	15,413
Balance at March 31, 2024	<u><u>\$ 230,453</u></u>	<u><u>1,089,162</u></u>
Balance at January 1, 2023	\$ 185,793	584,254
Addition in investment	-	80
Recognized in profit or loss	24,630	-
Recognized in other comprehensive income	-	15,837
Reclassification	-	(21,000)
Refund	(2,575)	(9,622)
Effect of changes in exchange rate	-	(2,949)
Balance at March 31, 2023	<u><u>\$ 207,848</u></u>	<u><u>566,600</u></u>

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- (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	<ul style="list-style-type: none"> Equity value multiplier (as of March 31, 2024, December 31, 2023 and March 31, 2023 were 1.88%~8.24%、2.10%~8.24% and 0.23%~2.43%, respectively) Lack of Market liquidity discount rate (March 31, 2024, December 31, 2023 and March 31, 2023 were 15.70%~30%、15.70%~30% and 28%~41.72%, respectively) 	<ul style="list-style-type: none"> The higher the multiplier, the higher the fair value The higher the lack of market liquidity, the lower the fair value

- (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 March 31, 2024 and 2023, there has been no transfer at fair value level.

(29) Financial risk management

The consolidated company's financial risk management objectives and policies have not changed significantly from those disclosed in note 6(29) of consolidated financial report of 2023.

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(30) Capital management

The capital management objectives, policies, and procedures of the consolidated company are consistent with the report from 2023; there is no significant change in the aggregated quantitative data of capital management items from those disclosed in the report from 2023. For relevant information, please refer to note 6(30) of consolidated report from 2023.

(31) Cash flow information

The Group's investing and financing activities which did not affect the current cash flow for the three months ended March 31, 2024 and 2023 were as follows:

For acquiring right of use assets by leasing, please refer to note 6(16).

Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Foreign exchange movement and others	March 31, 2024
Short-term borrowings	\$ 31,811,162	(3,238,594)	-	28,572,568
Long-term borrowings (including current portion)	6,384,827	304,773	(36,327)	6,653,273
Lease liabilities	1,463,632	(64,425)	50,613	1,449,820
Bonds payable	26,400,540	16,457,644	(1,697,288)	41,160,896
Guarantee deposit received	1,598,473	(84,054)	-	1,514,419
Total liabilities from financing activities	<u><u>\$ 67,658,634</u></u>	<u><u>13,375,344</u></u>	<u><u>(1,683,002)</u></u>	<u><u>79,350,976</u></u>
	January 1, 2023	Cash flows	Foreign exchange movement and others	March 31, 2023
Short-term borrowings	\$ 9,796,000	1,827,950	-	11,623,950
Long-term borrowings (including current portion)	903,641	4,617,395	(24,671)	5,496,365
Lease liabilities	825,028	(50,312)	395,545	1,170,261
Bonds payable	42,779,945	(2,029,803)	96,285	40,846,427
Guarantee deposit received	1,558,715	57,249	-	1,615,964
Total liabilities from financing activities	<u><u>\$ 55,863,329</u></u>	<u><u>4,422,479</u></u>	<u><u>467,159</u></u>	<u><u>60,752,967</u></u>

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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:

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Actron	Subsidiary of the Group (Note 3)
CWT	Subsidiary of the Group (Note 2)
YuanHong (ShanDong) Technical Materials Ltd. (“YHTM”)	Subsidiary of the Group (Note 2)
YuanHong Technical Materials Ltd. (“MHTM”)	Subsidiary of the Group (Note 1)

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

E. Sales

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

	For the three months ended	
	March 31,	
	<u>2024</u>	<u>2023</u>
Associates	\$ <u>-</u>	<u>79,352</u>

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

As of March 31, 2024 and 2023, the credit terms for third parties were 0 to 120 days after month-end, while those of related parties were 30 to 90 days after month-end.

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F. Purchase and process outsourcing

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

	For the three months ended March 31,	
	2024	2023
Associates	\$ -	61

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

As of March 31, 2024 and 2023, the payment terms to third parties were 0 to 150 days after month-end, while those of related parties were 30 to 90 days after the following month-end and 30 days after month-end, respectively.

G. Receivables from related parties

The receivables from related parties were as follows:

Items	Categories	March 31, 2024	December 31, 2023	March 31, 2023
Receivables from related parties	Associate	\$ -	-	62,862

H. Payables to related parties

The payables to related parties were as follows:

Items	Categories	March 31, 2024	December 31, 2023	March 31, 2023
Payable to related parties	Associate	\$ -	-	37

I. Corporate bonds

As of March 31, 2024 and 2023, the interest income amounted to \$0 thousand and \$1,627 thousand, respectively. As of March 31, 2024, December 31 and March 31, 2023, the accumulated investment of Crystalwise cost and interest receivable amounted to \$0 thousand, \$0 thousand and \$330,018 thousand, respectively and were recorded in financial assets measured at amortized cost-current.

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J. Lease

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

	For the three months ended March 31,	
	2024	2023
Associates	\$ -	<u>7,665</u>

The Group leased its plant to associates. As of March 31, 2024, December 31 and March 31, 2023, the Group had lease receivables of \$0 thousand, \$0 thousand and \$1,108 thousand, respectively.

K. 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 March 31, 2024, December 31 and March 31, 2023 were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Associates	\$ -	-	1,388
Associates	-	-	(64)
	<u>\$ -</u>	<u>-</u>	<u>1,324</u>

- (b) As of March 31, 2024, December 31, 2023, and March 31, 2023, the related parties entered into offshore wind power purchase contracts for the implementation of the sustainable Green Energy Performance Plan and deposited a guaranteed amount to \$0 thousand, \$0 thousand and \$10,000 thousand, respectively and were recorded under other liabilities—non-current.

(3) Key management personnel compensation

Key management personnel compensation comprised of:

	For the three months ended March 31,	
	2024	2023
Short-term employee benefits	\$ 152,677	169,271
Post-employment benefits	530	483
Share-based payments	6,640	-
	<u>\$ 159,847</u>	<u>169,754</u>

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8. Pledged assets:

The carrying values of pledged assets were as follows:

<u>Asset name</u>	<u>Pledge or Mortgage underlying subject</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Property, plant and equipment	Long-term and short-term borrowings and credit lines	\$ 3,417,869	3,391,086	3,513,678
Time deposits (recognized in other financial assets — current)	Performance bond	9,331	9,322	10,695
Time deposits (recognized in other financial assets — non-current)	Guarantee for the lease contract with the Hsinchu Science Park Bureau	51,860	51,841	51,840
Time deposits (recognized in other financial assets — non-current)	Guarantee for gas consumption from CPC Corporation	2,000	2,000	2,000
Time deposits (recognized in other financial assets — non-current)	Guarantee payment for import VAT	16,280	16,280	14,000
Time deposits (recognized in other financial assets — non-current)	Guarantee for bank financing projects	-	-	106,924
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)	Performance bonds for Government grant provided to technology projects	18,295	18,362	15,526
Time deposits (recognized in other financial assets — non-current)	Guarantees of acceptances bill	-	-	8,000
Time deposits (recognized in other financial assets non-current)	Grants of SMECF	2,100	3,000	-

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Asset name	Pledge or Mortgage underlying subject	March 31, 2024	December 31, 2023	March 31, 2023
Time deposits (recognized in other financial assets — non- current)	Guarantee for bank financing projects	11,200,000	10,746,750	-
Time deposits (recognized in other financial assets — non- current)	Pledged Certificates of Deposit	18,412	30,662	-
Financial assets at fair value through profit or loss — non-current	Provision of Siltronic AG shares to trustee as guarantee	8,782,267	-	-
		<u><u>\$ 23,518,414</u></u>	<u><u>14,280,484</u></u>	<u><u>3,742,301</u></u>

9. Commitments and contingencies:

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

(1) Significant unrecognized contractual commitments

- A. The purchase amounts for future delivery from suppliers under the existing agreements as of March 31, 2024, December 31, 2023, and March 31, 2023, amounted to \$33,871,440 thousand, \$29,690,722 and \$36,259,004 thousand, respectively.
- B. In response to the long-term purchase contract referred above, the Company has silicon wafer long-term sales contracts signed with the customers since the year 2005. These companies agree to pay the non-refundable funds to the Company. The two parties agreed to have silicon wafers sold in accordance with the agreed quantity and price. If the delivery has not been made in compliance with the contract signed, a sales discount or an amount equivalent to 1.5-4 times of the advance sales receipts from customers as remuneration should be granted. If the delay of shipment has not been resolved for more than three months, the outstanding pre-payment should be refunded. In addition, in response to the price decline arising from the falling demand, solar energy battery customers and the Company will negotiate the selling price and adjusting the average selling price in accordance with market conditions.

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

(Unit: currency in thousands)

	March 31, 2024	December 31, 2023	March 31, 2023
USD	<u><u>\$ 18,678</u></u>	<u><u>19,165</u></u>	<u><u>24,835</u></u>
EUR	<u><u>\$ 13,745</u></u>	<u><u>13,889</u></u>	<u><u>13,649</u></u>

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- C. As of March 31, 2024, December 31, 2023, and March 31, 2023, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to \$51,380,469 thousand, \$55,764,343 and \$20,905,543 thousand, respectively.
- D. As of March 31, 2024, December 31, 2023, and March 31, 2023, the total amount of promissory notes deposited by the Group at the bank for acquiring bank financing were \$77,985,080 thousand, \$81,057,352 and \$54,346,085 thousand, respectively.
- E. As of March 31, 2024, December 31, 2023, and March 31, 2023, a guarantee letter for the Customs Administration and Research and Development which the Group requested a bank to issue amounted to \$124,700 thousand, \$125,200 and \$140,599 thousand, respectively.
- F. As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group's outstanding standby letters of credit that were issued amounted to \$268,576 thousand, \$257,707 and \$118,599 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 March 31, 2024, December 31, 2023, and March 31, 2023, a guarantee letter for the customer which the Group requested a bank to issue amounted to \$4,436,079 thousand, \$4,452,951 and \$4,653,249 thousand, respectively.
- H. The Group entered into an offshore wind power contract with a customer under the sustainable Green Energy Performance plan and received a guarantee deposit of \$131,200 thousand, \$131,200 and \$111,800 thousand. As of March 31, 2024, December 31, 2023, and March 31, 2023, the above-mentioned guarantee deposit were recorded as other liabilities — non-current.

10. Losses due to major disasters: None.

11. Subsequent Events:

- (1) The GlobalWafers issued 42,000 thousand units of ODRs (representing 42,000 thousand common shares of the GlobalWafers) on the Luxembourg Stock Exchange at a price of US\$16.40 (equivalent to NT\$522.68) per share, raising total proceeds of US\$688,800 thousand, with March 26, 2024 as the pricing date. April 2, 2024.
- (2) In order to expand the production capacity to meet the market demand, the GlobalWafers entered into an equipment procurement contract with a specific vendor in April, 2024, with a total contract price of \$45,174,400 thousand.

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12. Other:

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

By item	By function		For the three months ended March 31,			
			2024		2023	
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	2,415,230	688,371	3,103,601	2,426,270	861,309	3,287,579
Labor and health insurance	331,753	94,844	426,597	284,175	69,619	353,794
Pension	165,905	38,699	204,604	150,215	27,905	178,120
Others employee benefits expenses	92,276	54,099	146,375	75,593	22,954	98,547
Depreciation	2,130,469	160,724	2,291,193	1,877,620	80,915	1,958,535
Amortization	40,956	5,636	46,592	85,832	5,575	91,407

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 March 31, 2024 (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: None
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- 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 4.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 5.
- I. Trading in derivative instruments: Please refer to note 6(2).
- J. Business relationships and significant intercompany transactions: Please refer to Table 6.

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(2) Information on investees: Please refer to Table 7.

(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 8(1).

B. Limitation on investment in Mainland China: Please refer to Table 8(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:

Shareholder's Name	Shareholding	Shares	Percentage
CAPITAL TIP Taiwan Select High Dividend ETF		43,390,000	7.40 %

14. Segment information:

(1) Operating segments

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

	For the three months ended March 31, 2024				
	Semiconductor segment	Solar energy Segment	Automotive components Segment	Reconciliation and elimination	Total
Revenues:					
External customers	\$ 16,470,488	1,461,543	1,760,124	-	19,692,155
Intersegment	91,194	313,529	-	(404,723)	-
Total revenue	<u>\$ 16,561,682</u>	<u>1,775,072</u>	<u>1,760,124</u>	<u>(404,723)</u>	<u>19,692,155</u>
Reportable segment profit or loss	<u>\$ 3,763,280</u>	<u>8,207</u>	<u>149,062</u>	<u>-</u>	3,920,549
Share of profit (loss) of associates accounted for using equity method					35,964
					<u>\$ 3,956,513</u>
Reportable segment assets	<u>\$ 212,477,290</u>	<u>11,718,603</u>	<u>14,636,794</u>	<u>(292,042)</u>	238,540,645
Investments accounted for using equity method					1,530,834
					<u>\$ 240,071,479</u>
Reportable segment liabilities	<u>\$ 132,469,592</u>	<u>14,499,010</u>	<u>5,730,749</u>	<u>(292,042)</u>	<u>152,407,309</u>

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For the three months ended March 31, 2023					
	Semiconductor segment	Solar energy Segment	Automotive components Segment	Reconciliation and elimination	Total
Revenues:					
External customers	\$ 19,022,756	1,880,793	-	-	20,903,549
Intersegment	11,896	348,518	-	(360,414)	-
Total revenue	<u><u>\$ 19,034,652</u></u>	<u><u>2,229,311</u></u>	<u><u>-</u></u>	<u><u>(360,414)</u></u>	<u><u>20,903,549</u></u>
Reportable segment profit or loss	<u><u>\$ 4,703,708</u></u>	<u><u>(40,909)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	4,662,799
Share of profit (loss) of associates accounted for using equity method					51,682
					<u><u>\$ 4,714,481</u></u>
Reportable segment assets	<u><u>\$ 187,411,133</u></u>	<u><u>12,817,407</u></u>	<u><u>-</u></u>	<u><u>(297,137)</u></u>	199,931,403
Investments accounted for using equity method					2,711,531
					<u><u>\$ 202,642,934</u></u>
Reportable segment liabilities	<u><u>\$ 118,273,349</u></u>	<u><u>12,885,917</u></u>	<u><u>-</u></u>	<u><u>(297,137)</u></u>	<u><u>130,862,129</u></u>

Sino-American Silicon Products Inc. and Subsidiaries

Loans to other parties

For the period ended March 31, 2024

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	1,720,950	640,000	64,000	6%	2	-	Operating capital	-	-	-	13,851,046	13,851,046
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	-	-	-	13,851,046	13,851,046
0	Sino-American Silicon Products Inc.	SSH	Receivable from related parties	Yes	1,000,000	1,000,000	563,700	1.5%	2	-	Operating capital	-	-	-	13,851,046	13,851,046
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	-	-	-	13,851,046	13,851,046
0	Sino-American Silicon Products Inc.	Sunrise PV Electric Five	Receivable from related parties	Yes	200,000	200,000	15,000	1.8%	2	-	Operating capital	-	-	-	13,851,046	13,851,046
0	Sino-American Silicon Products Inc.	CWT	Receivable from related parties	Yes	300,000	300,000	212,000	1.8%	2	-	Operating capital	-	-	-	13,851,046	13,851,046
1	SSTI	Sulu	Receivable from related parties	Yes	457,920	457,920	457,920	0%	2	-	Operating capital	-	-	-	2,396,156	2,396,156
1	SSTI	AMLED	Receivable from related parties	Yes	365,248	365,248	365,248	0%	2	-	Operating capital	-	-	-	2,396,156	2,396,156
2	SAS Sunrise Inc.	Sulu	Receivable from related parties	Yes	340,800	340,800	340,800	0%	2	-	Operating capital	-	-	-	500,782	500,782
3	GlobalWafers	Sunrise PV Electric Five	Receivable from related parties	Yes	100,000	-	-	1.50%	2	-	Operating capital	-	-	-	28,607,230	28,607,230

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 Four	Receivable from related parties	Yes	400,000	-	-	1.60%	2	-	Operating capital	-	-	-	28,607,230	28,607,230
3	Global Wafers	CWT	Receivable from related parties	Yes	350,000	350,000	-	1.80%	2	-	Operating capital	-	-	-	28,607,230	28,607,230
4	GWJ	MEMC Japan	Receivable from related parties	Yes	15,136,800	15,101,100	12,076,650	0.69273%	2	-	Operating capital	-	-	-	17,788,276	17,788,276
5	MEMC SpA	GWS	Receivable from related parties	Yes	2,687,880	2,687,880	1,185,838	7.499%	2	-	Operating capital	-	-	-	11,565,355	11,565,355
6	GWS	GWBV	Receivable from related parties	Yes	1,280,000	1,280,000	1,083,072	6.04%	2	-	Operating capital	-	-	-	35,910,400	35,910,400
6	GWS	GW GmbH	Receivable from related parties	Yes	4,307,500	4,307,500	4,307,500	2.70%	2	-	Operating capital	-	-	-	35,910,400	35,910,400
6	GWS	GlobalWafers	Receivable from related parties	Yes	9,600,000	9,600,000	8,512,000	5.81%~6.08%	2	-	Operating capital	-	-	-	35,910,400	35,910,400
7	GTI	MEMC LLC	Receivable from related parties	Yes	5,632,200	1,600,000	688,000	5.92466%	2	-	Operating capital	-	-	-	13,907,252	13,907,252
8	GWBV	GW GmbH	Receivable from related parties	Yes	2,067,600	2,067,600	1,516,240	2.70%	2	-	Operating capital	-	-	-	51,434,794	51,434,794
8	GWBV	Topsil A/S	Receivable from related parties	Yes	620,280	620,280	206,760	4.553%	2	-	Operating capital	-	-	-	51,434,794	51,434,794
9	SST	SSKT	Receivable from related parties	Yes	103,588	103,588	70,528	3.45%	2	-	Operating capital	-	-	-	3,062,021	3,062,021
10	SSKT	MHTM	Receivable from related parties	Yes	92,568	92,568	68,324	3.45%	2	-	Operating capital	-	-	-	148,099	148,099

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 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 March 31, 2024

Table 2

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period (Note 3, 7)	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary (Note 3, 7)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	Sino American Silicon Products Inc.	Sulu	2	1,545,758 (Note 6)	1,472,000 (Note 5)	1,472,000 (Note 5)	781,280 (Note 5)	-	4.25 %	1,545,758 (Note 6)	Y (Note 4)	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Four	2	34,627,616	170	170	170	-	-	34,627,616	Y	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Three	2	34,627,616	35,421	35,421	421	-	0.10 %	34,627,616	Y	N	N
0	Sino American Silicon Products Inc.	SSH	2	34,627,616	2,300,000	2,300,000	-	-	6.64 %	34,627,616	Y	N	N
0	Sino American Silicon Products Inc.	SES	2	34,627,616	165,249	165,249	121,080	-	0.48 %	34,627,616	Y	N	N
1	GlobalWafers	GW GmbH	2	214,554,225	22,399,000	15,507,000	11,895,592	-	21.68 %	214,554,225	N	N	N
1	GlobalWafers	GWH	2	214,554,225	1,100,000	1,100,000	-	-	1.54 %	214,554,225	N	N	N
1	GlobalWafers	Sunrise PV Four	2	214,554,225	135,000	135,000	37,600	-	0.19 %	214,554,225	N	N	N
1	GlobalWafers	Sunrise PV Electric Five	2	214,554,225	114,800	114,800	79,800	-	0.16 %	214,554,225	N	N	N
1	GlobalWafers	GWS	2	214,554,225	5,445,600	5,445,600	5,349,600	-	7.61 %	214,554,225	N	N	N
1	GlobalWafers	MEMC SpA	2	214,554,225	3,032,480	3,032,480	3,032,480	-	4.24 %	214,554,225	N	N	N
1	GlobalWafers	GWA	2	214,554,225	1,134,370	1,131,694	-	-	1.58 %	214,554,225	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)										
1	GlobalWafers	CWT	2	214,554,225	883,000	883,000	64,000	-	1.23 %	214,554,225	N	N	N
2	GTI	MEMC LLC	2	69,536,260	3,200,000	3,200,000	3,189,664	-	23.01 %	69,536,260	N	N	N
3	SST	KST	2	15,310,105	1,403,599	1,403,599	1,403,599	-	45.84 %	15,310,105	N	N	Y
4	GWS	GWA	2	179,552,000	16,000,000	16,000,000	6,547,136	-	44.56 %	179,552,000	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 March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures)
March 31, 2024

Table 3

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Note
				Shares/Units (thousand)	Carrying value	Percentage of ownership (%)	Fair value	
Sino American Silicon Products Inc.	Stock of Powertec Energy Corporation	None	Financial assets at fair value through other comprehensive income	30,410	-	2.14 %	-	
Sino American Silicon Products Inc.	Stock of Giga Epitaxy Technology Corp	None	Financial assets at fair value through other comprehensive income	531	-	1.61 %	-	
Sino American Silicon Products Inc.	Stock of Big Sun	None	Financial assets at fair value through other comprehensive income	15,000	-	3.43 %	-	
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	668,250	13.00 %	668,250	
SSTI	Stock of SILFAB SPA	None	Financial assets at fair value through other comprehensive income	300	374,959	15.00 %	374,959	
SSTI	Stock of Clean Venture 21 Corporation	None	Financial assets at fair value through profit or loss — non-current	10	-	7.20 %	-	
SSH	NextDrive Holdings. Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,021	102,993	5.40 %	102,993	
SSH	Transphorm Inc.	None	Financial assets at fair value through other comprehensive income	4,750	746,320	7.52 %	746,320	
SSH	SKY TECH Inc.	None	Financial assets at fair value through other comprehensive income	118	24,367	0.19 %	24,367	
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	61,824	4.33 %	61,824	

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	CDIB Capital Growth Partners L.P.	None	Financial assets at fair value through profit or loss — non-current	-	174,318	3.85 %	174,318	Note 1
GlobalWafers	Siltronic AG	None	Financial assets at fair value through profit or loss — non-current	650	1,841,198	2.17 %	1,841,198	
GW GmbH	Siltronic AG	None	Financial assets at fair value through profit or loss — non-current	3,101	8,782,955	10.34 %	8,782,955	
GWBV	Siltronic AG	None	Financial assets at fair value through profit or loss — non-current	350	996,786	1.17 %	996,786	
GlobalWafers	WT Microelectronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	621	91,581	0.06 %	91,581	
SST	Foreign securities	None	Financial assets at fair value through other comprehensive income	16	3,397	0.04 %	3,397	
GWH	Foreign Privately Securities	None	Financial assets at fair value through profit or loss — non-current	-	56,135	1.93 %	56,135	
Actron	Sino-American Silicon Products Inc.	Parent company	Financial assets at fair value through other comprehensive income — non-current	2,000	429,000	0.34 %	429,000	Note 2
Actron	Phoenix Pioneer Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income — non-current	15,265	258,744	5.13 %	258,744	
Actron	ANJET Corporation	None	Financial assets at fair value through other comprehensive income — non-current	3,108	313,305	22.41 %	313,305	
Actron	AMED VENTURES I, L.P.	None	Financial assets at fair value through other comprehensive income — non-current	-	100,224	-	100,224	
Actron	Super Energy Materials Inc.	None	Financial assets at fair value through other comprehensive income — non-current	1,425	22,843	5.28 %	22,843	
Mosel	ProMOS Technologies Inc.	None	Financial assets at fair value through other comprehensive income — non-current	603	10,891	1.34 %	10,891	
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	3,430	4.88 %	3,430	
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	-	-	-	

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	NewMedia Networking Corp.	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 %	-	
Mou Fu Investment	ProMOS Technologies Inc.	None	Financial assets at fair value through other comprehensive income — non-current	32	585	0.07 %	585	
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	1,250	2.37 %	1,250	
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.	None	Financial assets at fair value through other comprehensive income — non-current	25,050	5,373,225	4.27 %	5,373,225	Note 2

Note1: Refer to Note 6(15) for the disclosure of 1,500 thousand shares for security lending.

Note2: Refer to Note 6(20) for the disclosure of treasury stock.

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 March 31, 2024

Table 4

(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)	
GlobalWafers	Sino American Silicon Products Inc.	Directly held subsidiaries	Purchase	313,493	18 %	Net 30 days from the end of the next month upon issuance of invoice	-	-	(333,634)	(7)%	
GlobalWafers	GTI	Indirectly held subsidiaries	Purchase	339,943	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(259,121)	(3)%	
GlobalWafers	SST	Indirectly held subsidiaries	Purchase	362,928	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(246,314)	(2)%	
GlobalWafers	GWJ	Indirectly held subsidiaries	Purchase	1,507,225	10 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(1,736,163)	(17)%	
GlobalWafers	Topsil A/S	Indirectly held subsidiaries	Purchase	461,952	3 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(138,567)	(1)%	
GWS	GlobalWafers	Indirectly held subsidiaries	Purchase	1,669,527	11 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(1,170,023)	(12)%	
GTI	GlobalWafers	Indirectly held subsidiaries	Purchase	758,215	5 %	Net 45 days from the end of the month upon issuance of invoice	-	-	(794,028)	(8)%	
SST	GlobalWafers	Indirectly held subsidiaries	Purchase	208,882	1 %	Net 30 days from the end of the month upon issuance of invoice	-	-	(77,638)	(1)%	
GWJ	GlobalWafers	Indirectly held subsidiaries	Purchase	448,706	3 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(632,084)	(6)%	
GWS	MEMC LLC	Indirectly held subsidiaries	Purchase	336,872	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(215,024)	(2)%	
GWS	MEMC LLC	Indirectly held subsidiaries	Sale	(149,359)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	91,096	1%	
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Purchase	343,502	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(237,815)	(2)%	
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Sale	(115,204)	(1) %	Net 60 days from the end of the month upon issuance of invoice	-	-	87,012	1%	
GWS	MEMC SpA	Indirectly held subsidiaries	Purchase	845,724	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(621,481)	(6)%	
GWS	MEMC SpA	Indirectly held subsidiaries	Sale	(1,795,364)	(12) %	Net 60 days from the end of the month upon issuance of invoice	-	-	1,306,486	13%	

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)	
GWS	MEMC Korea	Indirectly held subsidiaries	Purchase	316,743	2 %	Net 30 days from the end of the month upon issuance of invoice	-	-	(229,460)	(2)%	
GWS	MEMC Japan	Indirectly held subsidiaries	Purchase	1,068,024	7 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(820,191)	(8)	
GWS	MEMC Japan	Indirectly held subsidiaries	Sale	(438,715)	(3) %	Net 60 days from the end of the month upon issuance of invoice	-	-	279,546	3%	
Actron	Mosel	Indirectly held subsidiaries	Purchase	138,330	18 %	Net 30 days from the end of the month upon issuance of invoice	-	-	110,831	14%	
Actron	DING-WEI Technology	Indirectly held subsidiaries	Purchase	173,930	23 %	Net 90 days from the end of the month upon issuance of invoice	-	-	160,091	20%	
DING-WEI Technology	Actron	Indirectly held subsidiaries	Sale	173,930	100 %	Net 90 days from the end of the month upon issuance of invoice	-	-	160,185	100%	
Mosel	Actron	Indirectly held subsidiaries	Sale	138,330	39 %	Net 30 days from the end of the month upon issuance of invoice	-	-	110,863	43%	

Note: The aforementioned inter-company transactions have been eliminated 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
March 31, 2024

Table 5

(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	569,761	Note 1	-	-	-	-
Sino American Silicon Products Inc.	Sunrise PV Four	Directly held subsidiaries	361,687	Note 1	-	-	-	-
Sino American Silicon Products Inc.	CWT	Indirectly held subsidiaries	212,987	Note 1	-	-	-	-
Sino-American Silicon Products Inc.	CWT	Indirectly held subsidiaries	252,000	13.00	-	-	-	-
SSTI	AMLED	Indirectly held subsidiaries	365,248	Note 1	-	-	-	-
SSTI	Sulu	Indirectly held subsidiaries	457,920	Note 1	-	-	-	-
SAS Sunrise Inc.	Sulu	Indirectly held subsidiaries	340,800	Note 1	-	-	-	-
GlobalWafers	Sino-American Silicon Products Inc.	Directly held subsidiaries	333,634	1.57	-	-	339,849	-
GlobalWafers	GTI	Indirectly held subsidiaries	794,028	1.01	-	-	288	-
GlobalWafers	GWJ	Indirectly held subsidiaries	632,084	0.61	-	-	4,973	-
GlobalWafers	GWS	Indirectly held subsidiaries	1,170,023	5.62	-	-	514,090	-
GlobalWafers	Topsil A/S	Indirectly held subsidiaries	227,604	0.40	-	-	46,521	-
GTI	GlobalWafers	Indirectly held subsidiaries	259,121	5.96	-	-	-	-
SST	GlobalWafers	Indirectly held subsidiaries	246,314	6.36	-	-	21,923	-
GWJ	GlobalWafers	Indirectly held subsidiaries	1,736,163	3.17	-	-	-	-
Topsil A/S	GlobalWafers	Indirectly held subsidiaries	138,567	17.77	-	-	138,592	-
GWS	MEMC Japan	Indirectly held subsidiaries	279,546	7.03	-	-	136,323	-
GWS	MEMC SpA	Indirectly held subsidiaries	1,305,486	4.88	-	-	629,338	-
MEMC Sdn Bhd	GWS	Indirectly held subsidiaries	237,815	5.70	-	-	120,691	-

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	621,481	5.69	-	-	289,939	-
MEMC Korea	GWS	Indirectly held subsidiaries	229,460	5.77	-	-	80,956	-
MEMC Japan	GWS	Indirectly held subsidiaries	820,191	5.39	-	-	182,178	-
MEMC LLC	GWS	Indirectly held subsidiaries	215,025	3.95	-	-	150,539	-
GWS	GlobalWafers	Indirectly held subsidiaries	8,639,217	Note 1	-	-	-	-
GWJ	MEMC Japan	Indirectly held subsidiaries	12,076,716	Note 1	-	-	-	-
MEMC SpA	GWS	Indirectly held subsidiaries	1,209,802	Note 1	-	-	-	-
GWS	GWBV	Indirectly held subsidiaries	1,109,418	Note 1	-	-	-	-
GWS	GW GmbH	Indirectly held subsidiaries	4,353,510	Note 1	-	-	-	-
GWBV	GW GmbH	Indirectly held subsidiaries	1,533,741	Note 1	-	-	-	-
GWBV	Topsil A/S	Indirectly held subsidiaries	207,752	Note 1	-	-	-	-
GTI	MEMC LLC	Indirectly held subsidiaries	691,722	Note 1	-	-	-	-
SST	SSKT	Indirectly held subsidiaries	72,796	Note 1	-	-	-	-
SSKT	MHTM	Indirectly held subsidiaries	69,846	Note 1	-	-	-	-
DING-WEI Technology Co., Ltd.	Actron	Indirectly held subsidiaries	160,185	3.88	-	-	-	-
Mosel	Actron	Indirectly held subsidiaries	110,863	5.60	-	-	-	-

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 April 22, 2024.

Sino-American Silicon Products Inc. and Subsidiaries
Business relationships and significant intercompany transactions
For the period ended March 31, 2024

Table 6

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3,4)
0	GlobalWafers	Sino-American Silicon Products Inc.	2	Purchase	313,493	Net 30 days from the end of the next month upon issuance of invoice	1.59%
0	GlobalWafers	GTI	1	Purchase	339,943	Net 60 days from the end of the month upon issuance of invoice	1.73%
0	GlobalWafers	SST	1	Purchase	362,928	Net 60 days from the end of the month upon issuance of invoice	1.84%
0	GlobalWafers	GWJ	1	Purchase	1,507,225	Net 60 to 90 days from the end of the month upon issuance of invoice	7.65%
0	GlobalWafers	Topsil A/S	1	Purchase	461,952	Net 30 to 60 days from the end of the month upon issuance of invoice	2.35%
0	GlobalWafers	GTI	1	Sale	758,215	Net 45 days from the end of the month upon issuance of invoice	3.85%
0	GlobalWafers	SST	1	Sale	208,882	Net 30 days from the end of the month upon issuance invoice	1.06%
0	GlobalWafers	GWJ	1	Sale	448,706	Net 60 to 90 days from the end of the month upon issuance of invoice	2.28%
0	GlobalWafers	GWS	1	Sale	1,669,527	Net 60 days from the end of the month upon issuance of invoice	8.48%
1	GWS	MEMC LLC	3	Purchase	336,872	Net 60 days from the end of the month upon issuance of invoice	1.71%
1	GWS	MEMC SpA	3	Purchase	845,724	Net 60 days from the end of the month upon issuance of invoice	4.29%
1	GWS	MEMC SpA	3	Sale	1,795,364	Net 60 days from the end of the month upon issuance of invoice	9.12%
1	GWS	MEMC Korea	3	Purchase	316,743	Net 60 days from the end of the month upon issuance of invoice	1.61%
1	GWS	MEMC Japan	3	Sale	438,715	Net 60 days from the end of the month upon issuance of invoice	2.23%
1	GWS	MEMC Japan	3	Purchase	1,068,024	Net 60 days from the end of the month upon issuance of invoice	5.42%
1	GWS	MEMC Sdn Bhd	3	Purchase	343,502	Net 60 days from the end of the month upon issuance of invoice	1.74%
1	GWS	GlobalWafers	2	Intercompany loan	8,639,217		3.60%
1	GWS	GW GmbH	3	Intercompany loan	4,353,510		1.81%
2	GWJ	MEMC Japan	3	Intercompany loan	12,076,716		5.03%

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 March 31, 2024

Table 7

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	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 %	1,198,078	157	157	Subsidiary
Sino American Silicon Products Inc.	GlobalWafers	Taiwan	Semiconductor silicon wafer materials and components manufacturing and trade	8,957,524	8,957,524	223,008	51.14 %	34,339,448	3,533,833	1,807,202	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 %	298,705	(3,716)	(3,716)	Subsidiary
Sino American Silicon Products Inc.	SAS Sunrise Inc.	Cayman	Investment activities	794,373 (USD24,500)	794,373 (USD24,500)	24,500	100.00 %	104,637	(16,151)	(16,151)	Subsidiary
Sino American Silicon Products Inc.	Sunrise PV Three	Taiwan	Electricity activities	15,000	15,000	1,500	100.00 %	15,622	(18)	(18)	Subsidiary
Sino American Silicon Products Inc.	SSH	Taiwan	Investment activities	650,000	650,000	65,000	100.00 %	507,982	(2,207)	(2,207)	Subsidiary
Sino American Silicon Products Inc.	SES	Taiwan	Energy technology service business	20,000	20,000	2,000	100.00 %	17,795	(610)	(610)	Subsidiary
Sino American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar energy system provider	112,193	112,193	7,452	24.70 %	56,447	(1,954)	1,934	Associate
Sino American Silicon Products Inc.	TSC	Taiwan	Semiconductor special gas and chemical material manufacturer	962,957	962,957	41,590	30.09 %	804,563	81,027	20,996	Subsidiary Note 2

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares (thousand)	Percentage of Ownership	Carrying value			
Sino American Silicon Products Inc.	Actron	Taiwan	Manufacturing and trading of automotive semiconductors	2,395,995	2,395,995	24,935	24.58 %	2,101,129	225,220	51,664	Subsidiary Note 2
Sino American Silicon Products Inc.	Advanced Wireless	Taiwan	Gallium arsenide wafer manufacturing and trade	4,341,422	4,341,422	54,287	27.62 %	2,567,416	214,020	51,142	Subsidiary Note 2
Sino American Silicon Products Inc.	Mosel	Taiwan	Semiconductors	97	-	3	-	97	-	-	Subsidiary
SSH	SES	Taiwan	Energy technology service business	3,825	3,825	383	51.00 %	3,598	(188)	-	Subsidiary Note 4
SAS Sunrise Inc.	Sulu	Philippines	Electricity activities	113,920 (USD4,000)	113,920 (USD4,000)	420,000	40.00 %	68,926	(19,098)	-	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 %	77,542	(19,098)	-	Subsidiary Note 4
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Italy	Solar module sale and wholesale of electronic materials	4,078 (EUR100)	4,078 (EUR100)	Note 1	100.00 %	35,473	(1,862)	-	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 %	3,092,061	35,854	-	Subsidiary Note 4
GlobalWafers	GWJ	Japan	Manufacturing and trading of silicon wafers	5,448,015	5,448,015	128	100.00 %	17,788,625	292,271	-	Subsidiary Note 4
GlobalWafers	GWafers Singapore	Singapore	Investment activities	2,207,377	2,207,377	41,674	100.00 %	34,337,667	916,913	-	Subsidiary Note 4
GlobalWafers	GW GmbH	Germany	Trading	1,952,235 (EUR62,525)	1,952,235 (EUR62,525)	48,025	100.00 %	(4,955,349)	39,642	-	Subsidiary Note 4
GlobalWafers	GWBV	Netherlands	Investment activities	40,367,464 (USD1,321,076)	40,367,464 (USD1,321,076)	0.1	100.00 %	51,434,794	34,826	-	Associate Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares (thousand)	Percentage of Ownership	Carrying value			
GlobalWafers	HONG WANG Investment Co., Ltd.	Taiwan	Investment activities	309,760	309,760	30,976	30.98 %	1,562,964	85,747	-	Subsidiary Note 4 and 6
GlobalWafers	Sunrise PV Four	Taiwan	Electricity activities	1,045,000	1,045,000	104,500	100.00 %	1,046,194	(1,427)	-	Subsidiary Note 4
GlobalWafers	Sunrise PV Electric Five	Taiwan	Electricity activities	278,000	278,000	27,800	100.00 %	273,593	(425)	-	Subsidiary Note 4
GlobalWafers	GWH	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	264,077	3,261	-	Subsidiary Note 4
GlobalWafers	CWT	Taiwan	Manufacturing and trading of optoelectronic wafers and substrate material	437,924	437,924	43,836	100.00 %	389,858	104,748	-	Subsidiary Note 4
GWJ	MEMC Japan	Japan	Manufacturing and trading of silicon wafers	373,413 (JPY100,000)	373,413 (JPY100,000)	750	100.00 %	2,371,675	28,470	-	Subsidiary Note 4
Topsil A/S	Topsil PL	Poland	Manufacturing and trading of silicon wafers	-	-	-	-	-	-	-	Subsidiary Note 4 and 7
GWBV	MEMC SpA	Italy	Manufacturing and trading of silicon wafers	6,732,641 (USD204,788)	6,732,641 (USD204,788)	65,000	100.00 %	11,565,355	41,291	-	Subsidiary Note 4
MEMC SpA	MEMC SarL	France	Trading	1,316 (USD40)	1,316 (USD40)	0.5	100.00 %	3,798	214	-	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 %	23,527,838	129,355	-	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 %	15,224,434	(9,207)	-	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 %	4,711	(77)	-	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 %	2,587,618	(20,651)	-	Subsidiary Note 4
CWT	Crystalwise HK	Hong Kong	Investment activities	- (USD48,100)	- (USD48,100)	48,100	100.00 %	92,538	(12)	-	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 %	5,723,353	(76,997)	-	Subsidiary Note 4
SST	MEMC Sdn Bhd	Malaysia	Research and development, manufacturing and trading of silicon wafers	898,016 (USD27,315)	898,016 (USD27,315)	1,036	100.00 %	1,303,470	15,766	-	Subsidiary Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	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 %	3,201,889	(68,539)	-	Subsidiary Note 4
Actron	DING-WEI Technology	Taiwan	Manufacture of electronic components and motor parts	306,900	306,900	15,000	100.00 %	275,417	12,171	-	Subsidiary Note 4
Actron	SILC	Samoa	Investment	363,260	363,260	12,000	100.00 %	430,890	3,359	-	Subsidiary Note 4
SILC	SAL	Hong Kong	Investment	363,260	363,260	12,000	100.00 %	430,890	3,359	-	Subsidiary Note 4
Actron	REC Technology	Taiwan	Manufacture of electronic components and motor parts	208,102	208,102	8,488	49.00 %	91,747	3,619	-	Subsidiary Note 4
Actron	HONG WANG Investment Co., Ltd.	Taiwan	Investment	300,000	300,000	30,000	30.00 %	1,513,684	85,747	-	Subsidiary Note 4 and 6
Actron	Mosel	Taiwan	Semiconductors	1,180,191	1,180,191	46,925	29.00 %	1,826,256	(9,959)	-	Subsidiary Note 4
Actron	Bigbest	Taiwan	Manufacture of motor parts	245,143	245,143	19,134	28.00 %	71,012	(4,297)	-	Subsidiary Note 4
Actron	Excelliance MOS Technology	Taiwan	Semiconductors	1,491,750	-	15,000	29.00 %	1,474,387	115,452	-	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 %	103,722	1,024	-	Subsidiary Note 4
Mosel	Mou Fu Investment	Taiwan	Leasing, manpower dispatch and various services	2,313,124	2,313,124	12,012	100.00 %	111,180	233	-	Subsidiary Note 4
Mosel	Bou-Der Investment	Taiwan	Professional investment	1,264,372	1,264,372	6,400	47.00 %	35,677	73	-	Subsidiary Note 4
Mosel	GHI Ltd.(BVI)	British Virgin Islands	General investment	664,061	664,061	2	100.00 %	75,317	3,911	-	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 %	38,132	73	-	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 %	5,518	1,024	-	Subsidiary Note 4

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares (thousand)	Percentage of Ownership	Carrying value			
GHI Ltd.(BVI)	Third Dimension Semiconductor, Inc.	United states	Design of Power IC	314,640	314,640	49,183	43.00 %	-	4,294	-	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: Hong Wang investment was involved in consolidation because of the company owned 60.98% of its shares through Actron and GlobalWafers.

Note 7: Liquidation procedures of Topsil PL had been completed in June 2023.

Sino-American Silicon Products Inc. and Subsidiaries
Information on investment in mainland China
For the period ended March 31, 2024

Table 8

(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, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	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)	35,764	100.00%	35,764	3,062,021	-
KST	Trading and marketing business	26,587	Note 6	-	-	-	-	4,347	100.00%	4,347	88,004	-
SSKT	Manufacturing and distributing lithium tantalate and lithium niobate wafers	102,776	Note 7	-	-	-	-	(16,883)	100.00%	(16,883)	370,246	-
MHTM	Manufacturing and distributing lithium tantalate and lithium niobate wafers	159,588	Note 8	-	-	-	-	(6,764)	90.00%	(6,764)	30,390	-
YHTM	Manufacturing and sales of optoelectronic and communication materials	1,435,282	Note 9	1,494,720 (USD48,000)	-	-	1,494,720 (USD48,000)	110	80.31%	88	33,056	-
YHTM	Manufacturing and sales of optoelectronic and communication materials	351,882	Note 10	351,882 (USD11,300)	-	-	351,882 (USD11,300)	110	19.69%	22	8,105	-
Smooth	Manufacture of motor parts	363,260 (USD12,000)	Note 12	363,260 (USD12,000)	-	-	363,260 (USD12,000)	3,359	100.00%	3,359	430,890	-

(2) Limitation on investment in Mainland China

Company Name	Accumulated Investment in Mainland China as of March 31, 2024	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)	42,910,845 (Note 4)
Actron	- (USD12,000)	365,520 (USD12,000)	4,883,270 (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 March 31, 2024.

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. Capital reduction \$59,438 thousand (USD1,900 thousand) remitted back to Crystalwise HK in March 2024.

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: Investing in China through a third-party company.

Note 13: The investment amounts authorized by Investment Commission, MOEA: $8,138,783$ (net equity of Actron as of March 31, 2024) $\times 60\% = 4,883,270$.