Stock Code:5483

# Sino-American Silicon Products Inc. and Subsidiaries

## Consolidated Financial Statements

## With Independent Auditors' Report
## For the Years Ended December 31, 2024 and 2023


Address: No.8, Industrial East Road 2, Science-Based Industrial Park, Hsinchu, Taiwan, R.O.C.

Telephone: (03)577-2233

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## Representation Letter

The entities that are required to be included in the consolidated financial statements of Sino-American Silicon Products Inc. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements", as endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements are included in the consolidated financial statements. Consequently, Sino-American Silicon Products Inc. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: Sino-American Silicon Products Inc.
Chairman: Doris Hsu
Date: February 27, 2025

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# Independent Auditors' Report

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

## Opinion

We have audited the consolidated financial statements of Sino-American Silicon Products Inc. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC"), and the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Basis for Opinion

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

## Key Audit Matters

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

1. Revenue recognition from contracts with customers

   Please refer to note 4(15) "Revenue recognition" for accounting policy and note 6(24) "Revenue from contracts with customers" of the consolidated financial statements for further information.

Description of key audit matter:

The Group's main source of operating revenue is the sale of semiconductor and solar energy-related products. The timing of revenue recognition is determined based on the terms of the transactions agreed upon with customers. Considering the large volume of transactions and the global nature of the Group's operations, which involve different transaction terms and triangular trade within the Group, the auditor has identified revenue recognition as a key audit matter.

How the matter was addressed in our audit:

The auditor's main audit procedures for the aforementioned key audit matter include: understanding the revenue recognition accounting policies adopted by the Group and comparing them with the sales terms and revenue recognition criteria to assess the appropriateness of the policies; evaluating the design of the internal control system for sales revenue and performing sample tests to verify its effectiveness; performing sample tests on individual revenue transactions and verifying them against customer orders and shipping documents; selecting samples of sales transactions around the year-end period and reviewing the sales terms, shipping documents, and customer confirmation documents to assess whether year-end sales transactions are recognized in the appropriate period.

2. Goodwill impairment assessment

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

Description of key audit matter:

The Group belongs to a highly capitalized industry and has goodwill arising from corporate mergers and acquisitions. Additionally, the industry in which the Group operates is susceptible to fluctuations due to market conditions and government policies, making the assessment of goodwill impairment crucial. The evaluation process includes identifying cash-generating units, determining valuation methods, selecting key assumptions, and calculating recoverable amounts, all of which rely heavily on management's subjective judgment. Therefore, the auditor has identified this as a key audit matter.

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How the matter was addressed in our audit:

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

**Other Matter**

Sino-American Silicon Products Inc. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion.

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

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

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

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

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2024 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)
February 27, 2025

**Notes to Readers**

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

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

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

## Sino-American Silicon Products Inc. and subsidiaries

## Consolidated Balance Sheets

## December 31, 2024 and 2023

**(Expressed in Thousands of New Taiwan Dollars)**

| | | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|---|
| | **Assets** | **Amount** | **%** | **Amount** | **%** |
| | **Current assets:** | | | | |
| 1100 | Cash and cash equivalents (notes 6(1)) | $ 54,136,770 | 20 | 30,827,503 | 14 |
| 1110 | Financial assets at fair value through profit or loss－current (note 6(2)) | 28,751 | - | 9,995 | - |
| 1170 | Notes and accounts receivable, net (notes 6(5) and (25)) | 12,591,069 | 5 | 12,228,049 | 5 |
| 1180 | Accounts receivable due from related parties, net (notes 6(25) and 7) | 564 | - | - | - |
| 130X | Inventories (note 6(6)) | 13,976,189 | 5 | 12,556,397 | 6 |
| 1476 | Other financial assets－current (notes 6(1) and 8) | 19,346,916 | 7 | 43,551,516 | 19 |
| 1479 | Other current assets (note 6(13)) | 2,723,908 | 1 | 2,204,462 | 1 |
| | | 102,804,167 | 38 | 101,377,922 | 45 |
| | **Non-current assets:** | | | | |
| 1513 | Financial assets at fair value through profit or loss－non-current (notes 6(2) and 8) | 6,766,986 | 3 | 12,567,498 | 6 |
| 1517 | Financial assets at fair value through other comprehensive income－non-current (notes 6(3) and 8) | 1,145,053 | - | 3,464,865 | 1 |
| 1535 | Financial assets at amortized cost－non-current (note 6(4)) | 6,524,215 | 3 | - | - |
| 1550 | Investments accounted for using equity method (note 6(7)) | 1,567,664 | 1 | 1,494,831 | 1 |
| 1600 | Property, plant and equipment (notes 6(10), 7 and 8) | 137,361,821 | 51 | 89,667,689 | 40 |
| 1755 | Right-of-use assets (note 6(11)) | 1,344,479 | - | 1,459,674 | 1 |
| 1780 | Intangible assets (note 6(12)) | 5,893,393 | 2 | 5,695,213 | 2 |
| 1840 | Deferred tax assets (note 6(21)) | 4,066,186 | 1 | 3,652,099 | 2 |
| 1980 | Other financial assets－non-current (note 8) | 231,342 | - | 845,746 | - |
| 1990 | Other non-current assets (note 6(13)) | 3,625,993 | 1 | 5,269,688 | 2 |
| | | 168,527,132 | 62 | 124,117,303 | 55 |
| | **Total assets** | **$ 271,331,299** | **100** | **225,495,225** | **100** |

| | | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|---|
| | **Liabilities and Equity** | **Amount** | **%** | **Amount** | **%** |
| | **Current liabilities:** | | | | |
| 2100 | Short-term borrowings (notes 6(15) and 8) | $ 28,863,280 | 11 | 31,811,162 | 14 |
| 2105 | Short-term notes and bills payable (note 6(14)) | 3,999,248 | 1 | - | - |
| 2120 | Financial liabilities at fair value through profit or loss－current (notes 6(2) and (17)) | 94,142 | - | 204,322 | - |
| 2130 | Contract liabilities－current (note 6(25)) | 10,811,513 | 4 | 10,493,887 | 5 |
| 2170 | Notes and accounts payable | 6,069,275 | 2 | 5,958,638 | 3 |
| 2180 | Accounts payable to related parties (note 7) | 9 | - | - | - |
| 2201 | Payroll and bonus payable | 4,737,526 | 2 | 5,310,525 | 2 |
| 2216 | Dividends payable | 3,199,272 | 1 | 3,756,469 | 2 |
| 2250 | Provisions－current (note 6(19)) | 296,906 | - | 293,127 | - |
| 2230 | Current tax liabilities | 2,505,027 | 1 | 4,070,647 | 2 |
| 2270 | Convertible bonds, current portion (note 6(17)) | - | - | 6,647,050 | 3 |
| 2321 | Bonds payable, current portion (note 6(17)) | - | - | 7,098,400 | 3 |
| 2322 | Long-term borrowings, current portion (note 6(16)) | 2,413,766 | 1 | 1,870,689 | 1 |
| 2399 | Other current liabilities (notes 6(18) and 7) | 14,332,621 | 5 | 9,977,315 | 4 |
| | | 77,322,585 | 28 | 87,492,231 | 39 |
| | **Non-Current liabilities:** | | | | |
| 2527 | Contract liabilities－non-current (notes 6(25) and 9) | 20,879,312 | 8 | 24,970,383 | 11 |
| 2500 | Non-current financial liabilities at fair value through profit or loss (notes 6(2) and (17)) | 404,230 | - | - | - |
| 2530 | Convertible bonds (note 6(17)) | 776,258 | - | 762,039 | - |
| 2531 | Bonds payable (note 6(17)) | 16,890,669 | 6 | 11,893,051 | 5 |
| 2532 | Exchangeable bonds with warrants (notes 6(17)) | 10,256,704 | 4 | - | - |
| 2540 | Long-term borrowings (notes 6(16) and 8) | 14,993,522 | 6 | 4,514,138 | 2 |
| 2550 | Provisions－non-current (note 6(19)) | 2,813,503 | 1 | 3,202,855 | 1 |
| 2570 | Deferred tax liabilities (note 6(21)) | 6,909,689 | 3 | 6,034,723 | 3 |
| 2670 | Other non-current liabilities (notes 6(18) and 7) | 3,018,155 | 1 | 3,022,729 | 1 |
| 2640 | Net defined benefit liabilities | 1,512,147 | 1 | 1,608,901 | 1 |
| | | 78,454,189 | 30 | 56,008,819 | 24 |
| | **Total liabilities** | 155,776,774 | 58 | 143,501,050 | 63 |
| | **Equity** (notes 6(22) and 8)**:** | | | | |
| 3110 | Ordinary shares | 6,412,217 | 2 | 5,862,217 | 3 |
| 3200 | Capital surplus | 32,671,766 | 12 | 16,955,211 | 8 |
| 3300 | Retained earnings | 20,318,655 | 7 | 19,764,133 | 9 |
| 3400 | Other equity interest | (6,454,604) | (2) | (6,457,122) | (3) |
| 3500 | Treasury shares | (4,382,100) | (2) | (4,382,100) | (2) |
| | Total equity attributable to shareholders of the Company | 48,565,934 | 17 | 31,742,339 | 15 |
| 36XX | Non-controlling interests (note 6(9)) | 66,988,591 | 25 | 50,251,836 | 22 |
| | **Total equity** | 115,554,525 | 42 | 81,994,175 | 37 |
| | **Total liabilities and equity** | **$ 271,331,299** | **100** | **225,495,225** | **100** |

See accompanying notes to consolidated financial statements.

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

# Sino-American Silicon Products Inc. and subsidiaries

## Consolidated Statements of Comprehensive Income

## For the years ended December 31, 2024 and 2023

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

| | | 2024 | | 2023 | |
|---|---|---|---|---|---|
| | | Amount | % | Amount | % |
| 4000 | **Operating revenue** (notes 6(25) and 7) | $ 79,678,547 | 100 | 81,965,952 | 100 |
| 5000 | **Operating costs** (notes 6(6), (20), (26) and 7) | 55,403,820 | 70 | 55,279,360 | 67 |
| | **Gross profit from operations** | 24,274,727 | 30 | 26,686,592 | 33 |
| | **Operating expenses** (notes 6(20), (26) and 7): | | | | |
| 6100 | Selling expenses | 1,666,239 | 2 | 1,834,943 | 2 |
| 6200 | Administrative expenses | 3,110,201 | 4 | 3,269,192 | 4 |
| 6300 | Research and development expenses | 3,385,490 | 4 | 2,958,105 | 4 |
| 6450 | Expected credit losses (reversal gains) (note 6(5)) | (766) | - | 17,569 | - |
| | **Total operating expenses** | 8,161,164 | 10 | 8,079,809 | 10 |
| | **Net operating income** | 16,113,563 | 20 | 18,606,783 | 23 |
| | **Non-operating income and expenses:** | | | | |
| 7100 | Interest income (note 7) | 3,542,743 | 4 | 3,314,614 | 4 |
| 7020 | Other gains and losses (notes 6(17) and (28)) | (3,913,954) | (5) | 3,204,443 | 4 |
| 7050 | Finance costs (notes 6(27) and 7) | (1,098,777) | (1) | (792,883) | (1) |
| 7060 | Share of profit (loss) of associates accounted for using equity method | 88,738 | - | 216,455 | - |
| | | (1,381,250) | (2) | 5,942,629 | 7 |
| | **Income before income tax** | 14,732,313 | 18 | 24,549,412 | 30 |
| 7950 | **Less: Income tax expense** (note 6(21)) | 3,122,830 | 4 | 6,770,500 | 8 |
| | **Net income** | 11,609,483 | 14 | 17,778,912 | 22 |
| 8300 | **Other comprehensive income:** | | | | |
| 8310 | **Items that will not be reclassified subsequently to profit or loss** | | | | |
| 8311 | Gains (losses) on remeasurements of defined benefit plans (note 6(19)) | (10,721) | - | 506,786 | 1 |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | (1,204,034) | (2) | 1,254,928 | 2 |
| 8320 | Share of other comprehensive income of associates accounted for using equity method | - | - | 31,580 | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | 2,963 | - | (58,823) | - |
| | **Total items that will not be reclassified subsequently to profit or loss** | (1,211,792) | (2) | 1,734,471 | 3 |
| 8360 | **Items that may be reclassified subsequently to profit or loss** | | | | |
| 8361 | Exchange differences on translation of foreign operations | 1,255,047 | 2 | (1,756,777) | (2) |
| 8370 | Share of other comprehensive income of associates accounted for using equity method | - | - | 158 | - |
| 8399 | Income tax related to components of other comprehensive income that may be reclassified to profit or loss | (250,078) | - | 319,692 | - |
| | **Total items that may be reclassified subsequently to profit or loss** | 1,004,969 | 2 | (1,436,927) | (2) |
| 8300 | **Other comprehensive income (after tax)** | (206,823) | - | 297,544 | 1 |
| | **Total comprehensive income** | **$ 11,402,660** | **14** | **18,076,456** | **23** |
| | **Net income attributable to:** | | | | |
| | Owners of parent | $ 5,346,259 | 6 | 9,843,820 | 12 |
| | Non-controlling interests | 6,263,224 | 8 | 7,935,092 | 10 |
| | | **$ 11,609,483** | **14** | **17,778,912** | **22** |
| | **Total comprehensive income attributable to:** | | | | |
| | Owners of parent | $ 5,785,349 | 7 | 9,634,137 | 12 |
| | Non-controlling interests | 5,617,311 | 7 | 8,442,319 | 11 |
| | | **$ 11,402,660** | **14** | **18,076,456** | **23** |
| | **Earnings per share** (NT dollars) (note 6(24)) | | | | |
| 9750 | Basic earnings per share | **$** | **9.24** | | **16.99** |
| 9850 | Diluted earnings per share | **$** | **9.21** | | **16.89** |

See accompanying notes to consolidated financial statements.

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

# Sino-American Silicon Products Inc. and subsidiaries

## Consolidated Statements of Changes in Equity

## For the three months and years ended December 31, 2024 and 2023

## (Expressed in Thousands of New Taiwan Dollars)

| | Equity attributable to owners of parent | | | | | | | | | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Retained earnings | | | | Other equity interest | | | | | | | |
| | Ordinary shares | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Total retained earnings | Exchange differences on translation of foreign financial statements | Gains (losses) on equity instrument measured at fair value through other comprehensive income | Others | Total other equity interest | Treasury shares | Total | | |
| **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 | - | - | - | - | 9,843,820 | 9,843,820 | - | - | - | - | - | 9,843,820 | 7,935,092 | 17,778,912 |
| Other comprehensive income for the period | - | - | - | - | 206,935 | 206,935 | (727,450) | 310,832 | - | (416,618) | - | (209,683) | 507,227 | 297,544 |
| Total comprehensive income for the period | - | - | - | - | 10,050,755 | 10,050,755 | (727,450) | 310,832 | - | (416,618) | - | 9,634,137 | 8,442,319 | 18,076,456 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | | | | |
| Legal reserve | - | - | 1,364,576 | - | (1,364,576) | - | - | - | - | - | - | - | - | - |
| Special reserve | - | - | - | 749,156 | (749,156) | - | - | - | - | - | - | - | - | - |
| Cash dividends on ordinary shares | - | - | - | - | (5,451,838) | (5,451,838) | - | - | - | - | - | (5,451,838) | (3,790,640) | (9,242,478) |
| Holding of the company's share by subsidiaries recognized as treasury share | - | - | - | - | - | - | - | - | - | - | (4,382,100) | (4,382,100) | - | (4,382,100) |
| Changes in equity of subsidaries and associates accounted for using equity method | - | 108,525 | - | - | (35,254) | (35,254) | - | (2,700) | (1,526) | (4,226) | - | 69,045 | 225,352 | 294,397 |
| Others | - | 523 | - | - | - | - | - | - | - | - | - | 523 | - | 523 |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - | 9,115,833 | 9,115,833 |
| Disposal of investments in equity instruments at fair value through other comprehensive income | - | - | - | - | 62,281 | 62,281 | - | (62,281) | - | (62,281) | - | - | - | - |
| **Balance at December 31, 2023** | 5,862,217 | 16,955,211 | 3,395,684 | 6,188,164 | 10,180,285 | 19,764,133 | (5,343,697) | (1,109,138) | (4,287) | (6,457,122) | (4,382,100) | 31,742,339 | 50,251,836 | 81,994,175 |
| Net income for the period | - | - | - | - | 5,346,259 | 5,346,259 | - | - | - | - | - | 5,346,259 | 6,263,224 | 11,609,483 |
| Other comprehensive income for the period | - | - | - | - | (2,124) | (2,124) | 568,454 | (127,240) | - | 441,214 | - | 439,090 | (645,913) | (206,823) |
| Total comprehensive income for the period | - | - | - | - | 5,344,135 | 5,344,135 | 568,454 | (127,240) | - | 441,214 | - | 5,785,349 | 5,617,311 | 11,402,660 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | | | | |
| Legal reserve | - | - | 893,035 | - | (893,035) | - | - | - | - | - | - | - | - | - |
| Reversal of special reserve | - | - | - | (490,048) | 490,048 | - | - | - | - | - | - | - | - | - |
| Cash dividends on ordinary shares | - | - | - | - | (5,030,640) | (5,030,640) | - | - | - | - | - | (5,030,640) | - | (5,030,640) |
| Capital increase by cash | 550,000 | 8,412,535 | - | - | - | - | - | - | - | - | - | 8,962,535 | - | 8,962,535 |
| Changes in equity of subsidaries and associates accounted for using equity method | - | 7,165,373 | - | - | - | - | - | - | 768 | 768 | - | 7,166,141 | 15,851,292 | 23,017,433 |
| Others | - | (103) | - | - | (22) | (22) | - | - | (198,415) | (198,415) | - | (198,540) | - | (198,540) |
| Cash dividends received by subsidiaries from the parent company | - | 138,750 | - | - | - | - | - | - | - | - | - | 138,750 | - | 138,750 |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - | (4,731,848) | (4,731,848) |
| Disposal of investments in equity instruments at fair value through other comprehensive income | - | - | - | - | 241,049 | 241,049 | - | (241,049) | - | (241,049) | - | - | - | - |
| **Balance at December 31, 2024** | **$ 6,412,217** | **32,671,766** | **4,288,719** | **5,698,116** | **10,331,820** | **20,318,655** | **(4,775,243)** | **(1,477,427)** | **(201,934)** | **(6,454,604)** | **(4,382,100)** | **48,565,934** | **66,988,591** | **115,554,525** |

See accompanying notes to consolidated financial statements.

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

## Sino-American Silicon Products Inc. and subsidiaries

## Consolidated Statements of Cash Flows

## For the years ended December 31, 2024 and 2023

**(Expressed in Thousands of New Taiwan Dollars)**

| | 2024 | 2023 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| **Income before income tax** | $ 14,732,313 | 24,549,412 |
| **Adjustments:** | | |
| Adjustments to reconcile profit (loss): | | |
| Depreciation expenses | 9,838,572 | 8,346,034 |
| Amortization expenses | 185,638 | 352,726 |
| Expected credit losses impairment (reversal gain) loss | (766) | 17,569 |
| Net (profit) loss on financial assets or liabilities at fair value through profit or loss | 4,728,876 | (2,846,622) |
| Finance costs | 1,098,777 | 792,883 |
| Interest income | (3,542,743) | (3,314,614) |
| Dividend income | (191,661) | (449,104) |
| Shares of profit of associates accounted for using equity method | (88,738) | (216,455) |
| Gain on disposal of property, plant and equipment | (61,263) | (131,941) |
| Gains on disposal of investments | - | (2,149,169) |
| Losses on disposal of intangible assets | 17 | - |
| Recognition (reversal) of impairment losses on non-financial assets | (21,346) | 3,758,173 |
| Provisions for inventory valuation | 51,007 | 139,945 |
| Reversal of provisions | (387,304) | (270,432) |
| Gain on lease modification | (3,790) | (15) |
| Total adjustments | 11,605,276 | 4,028,978 |
| Changes in operating assets and liabilities: | | |
| Notes and accounts receivable (including related parties) | (363,545) | 199,471 |
| Inventories | (1,407,414) | (641,268) |
| Prepayments for purchase of materials | 191,866 | 126,383 |
| Other financial assets | (1,827,306) | (120,420) |
| Other operating assets | (275,302) | (372,452) |
| Contract liabilities | (5,167,196) | (4,241,458) |
| Notes and accounts payable (including related parties) | 75,966 | 79,629 |
| Net defined benefit liabilities | (106,813) | 54,108 |
| Other operating liabilities | 947,848 | 622,742 |
| Total changes in operating assets and liabilities | (7,931,896) | (4,293,265) |
| Total adjustments | 3,673,380 | (264,287) |
| Cash inflow generated from operations | 18,405,693 | 24,285,125 |
| Interest received | 3,910,601 | 2,251,296 |
| Dividends received | 191,661 | 449,104 |
| Interest paid | (2,050,940) | (772,722) |
| Income taxes paid | (4,310,777) | (6,138,088) |
| **Net cash flows generated from operating activities** | 16,146,238 | 20,074,715 |

(Continued)

See accompanying notes to consolidated financial statements.

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

## Sino-American Silicon Products Inc. and subsidiaries

## Consolidated Statements of Cash Flows(Continued)

## For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

| | 2024 | 2023 |
|---|---|---|
| **Cash flows from investing activities:** | | |
| Acquisition of financial assets at fair value through other comprehensive income | (32,599) | (561,724) |
| Proceeds from capital reduction of financial assets at fair value through profit or loss | 19,421 | 17,908 |
| Proceeds from capital reduction of financial assets at fair value through other comprehensive income | 6,327 | 21,414 |
| Acquisition of financial assets at amortized cost | (6,524,125) | - |
| Proceeds from disposal of financial assets at amortized cost | - | 330,000 |
| Proceeds from disposal of financial assets fair value through other comprehensive income | 733,758 | 148,646 |
| Acquisition of financial assets at fair value through profit or loss | (35,252) | (33,741) |
| Acquisition of investments accounted for using equity method | (176,325) | (639,832) |
| Cash dividends from investment accounted for using equity method | 61,650 | 137,557 |
| Acquisition of property, plant and equipment, and prepayments of equipment | (50,799,912) | (37,837,840) |
| Proceeds from disposal of property, plant and equipment | 393,859 | 286,572 |
| Acquisition of intangible assets | (19,227) | (11,710) |
| Net cash outflows from business combination | 257,798 | 1,575,469 |
| Decrease (increase) in other financial assets | 26,646,310 | (36,462,988) |
| **Net cash flows used in investing activities** | (29,468,317) | (73,030,269) |
| **Cash flows from financing activities:** | | |
| Increase in short-term borrowings | (2,947,882) | 20,884,819 |
| Increase in short-term notes and bills payable | 3,999,248 | - |
| Issuing bonds | 16,663,844 | - |
| Repayments of bonds | (14,037,022) | (17,644,805) |
| Proceeds from long-term borrowings | 14,254,799 | 4,876,227 |
| Repayments of long-term borrowings | (3,369,280) | (705,592) |
| (Decrease) increase in guarantee deposits | (129,936) | 39,758 |
| Payment of lease liabilities | (232,193) | (221,403) |
| Cash dividends and capital surplus distribution | (5,587,836) | (8,742,111) |
| Capital increase by cash | 8,962,535 | - |
| Change in non-controlling interests | 15,965,446 | 4,839 |
| Other financing activities | 558 | 523 |
| **Net cash flows generated from (used in) financing activities** | 33,542,281 | (1,507,745) |
| Effect of exchange rate changes on cash and cash equivalents | 3,089,065 | (924,356) |
| Increase (decrease) in cash and cash equivalents | 23,309,267 | (55,387,655) |
| Cash and cash equivalents at beginning of period | 30,827,503 | 86,215,158 |
| Cash and cash equivalents at end of period | $ **54,136,770** | **30,827,503** |

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

## For the years ended December 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 semi-conductor silicon materials and components, rheostat, optical and communications wafer materials; also the related technology, management consulting business, and technical services of the photo-voltaic power system generation and installation.

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

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

The consolidated financial statements were authorized for issue by the Board of Directors on February 27, 2025.

### 3. New standards, amendments and interpretations adopted:

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

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

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 21 "Lack of Exchangeability"

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

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

| Standards or Interpretations | Content of amendment | Effective date per IASB |
|---|---|---|
| IFRS 18 "Presentation and Disclosure in Financial Statements" | 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.<br>● 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.<br>● 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.<br>● 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 |

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"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

**4. Summary of material accounting policies:**

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

(1) Statement of compliance

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

(2) Basis of preparation

A. Basis of measurement

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

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

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

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

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

B. Functional and presentation currency

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

(3) Basis of consolidation

A. Principles of preparation of the consolidated financial statements

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

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

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

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

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

B. List of subsidiaries in the consolidated financial statements

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

| Name of Investor | Name of subsidiary | Business | Percentage of Ownership December 31, 2024 | Percentage of Ownership December 31, 2023 | Note |
|---|---|---|---|---|---|
| SAS | Sino Silicon Technology Inc. (SSTI) | Investment and triangular trade center with subsidiaries in China | 100% | 100% | |
| SAS | GlobalWafers Co., Ltd. (GlobalWafers) | Manufacturing and trading of semiconductor silicon materials and components | 46.64% | 51.14% | |
| SAS | Aleo Solar GmbH (Aleo Solar) | Solar cell manufacturing and sale and wholesale of electronic materials | 100% | 100% | |
| SAS | SAS Sunrise Inc. | Investment activities | 100% | 100% | |
| SAS | Sunrise PV Three Co., Ltd. (Sunrise PV Three) | Electricity activities | 100% | 100% | |
| SAS | SAS Capital Co., Ltd. (SSH) | Investment activities | 100% | 100% | |
| SAS | Sustainable Energy Solution Co., Ltd. (SES) | Energy technology service business | 100% | 100% | |
| SAS | Taiwan Speciality Chemicals Corporation (Taiwan Speciality Chemicals) | Semiconductor special gas and chemical materials | 28.52% | 30.09% | |
| SAS | Advanced Wireless Semiconductor Company (Advanced Wireless) | Manufacturing and trading of GaAs Wafers | 28.46% | 27.62% | |
| SAS | Actron Technology Corporation (Actron) | Manufacturing and trading of automotive semiconductors | 25.56% | 24.58% | Note 4 |
| SAS | Mosel Vitekic Inc. (MVI) | Semiconductor holding company | - | - | |
| SAS | Anneal Energy Co., Ltd. (Anneal Energy) | Electricity activities | 45.01% | - | Note 6 |
| SAS Sunrise Inc. | Sulu Electric Power and Light Inc. (Sulu) | Electricity activities | 40% | 40% | Note 1 |
| SAS Sunrise Inc. | AMLED International Systems Inc. (AMLED) | Investment activities | - | - | Note 2 |
| AMLED | Sulu | Electricity activities | 45% | 45% | |
| Aleo Solar | Aleo Solar Distribuzione Italia S.r.l | Solar cell manufacturing and sale and wholesale of electronic materials | 100% | 100% | |
| SSH | Sustainable Hydropoewr Energy Co., Ltd. (SHE) | Energy technology service business | 51% | 51% | |
| SSH | Waferchem Technology Corporation (Waferchem) | Semiconductor holding company | 51% | - | Note 7 |
| GlobalWafers | GlobalSemiconductor Inc. (GSI) | Investment activities | 100% | 100% | |
| GlobalWafers | GlobalWafers Japan Co., Ltd. (GWJ) | Manufacturing and trading of silicon wafers | 100% | 100% | |

| Name of Investor | Name of subsidiary | Business | Percentage of Ownership December 31, 2024 | Percentage of Ownership December 31, 2023 | Note |
|---|---|---|---|---|---|
| GlobalWafers | GlobalWafers Singapore Pte. Ltd. (GWS) | Investment activities | 100% | 100% | |
| GlobalWafers | Sunrise PV Four Co., Ltd. (Sunrise PV Four) | Electricity activities | 100% | 100% | |
| GlobalWafers | Sunrise PV Electric Power Five Co., Ltd. (Sunrise PV Five) | Electricity activities | 100% | 100% | |
| GlobalWafers | GWC Capital Co., Ltd (GWH) | Investment activities | 100% | 100% | |
| GlobalWafers | GlobalWafers GmbH (GW GmbH) | Investment activities | 100% | 100% | |
| GlobalWafers | GlobalWafers B.V. (GWBV) | Investment activities | 100% | 100% | |
| GlobalWafers | Crystalwise Technology Inc. (CWT) | Manufacturing and trading of optoelectronic wafers and substrate material | 100% | 100% | |
| GlobalWafers | GlobalWafers Capital Co., Ltd. (GWCC) | Investment activities | 100% | - | Note 3(1) |
| GlobalWafers | Hongwang Investment Co., Ltd. (Hongwang) | Investment activities | 30.98% | 30.98% | Note 5 |
| GSI | Kunshan Sino Silicon Technology Co., Ltd. (SST) | Processing and trading of ingots and wafers | 100% | 100% | |
| GWJ | MEMC Japan Ltd. (MEMC Japan) | Manufacturing and trading of silicon wafers | 100% | 100% | |
| SST | MEMC Electronic Materials, Sdn Bhd (MEMC Sdn Bhd) | Research and development, manufacturing and trading of silicon wafers | 100% | 100% | |
| SST | Kunshan SST Trading Co., Ltd. (KST) | Sales, marketing and trading activities | 100% | 100% | |
| SST | Shanghai Sawyer Shenkai Technology Material Co., Ltd. (SSKT) | Manufacturing and sales of lithium tantalate and lithium niobate wafers | 100% | 100% | |
| CWT | Crystalwise Technology (HK) Limited (Crystalwise (HK)) | Investment activities | 100% | 100% | |
| CWT | Yuan Hong (SHANDONG) Technical Materials Ltd. (YHTM) | Manufacturing and trading of optoelectronic wafers and substrate material | 19.69% | 19.06% | |
| GWBV | MEMC Electronic Materials, SpA (MEMC SpA) | Manufacturing and trading of silicon wafers | 100% | 100% | |
| MEMC SpA | MEMC Electronic Materials France SarL (MEMC SarL) | Trading | 100% | 100% | |
| GWBV | MEMC Korea Company (MEMC Korea) | Manufacturing and trading of silicon wafers | 100% | 100% | |
| GWBV | MEMC Ipoh Sdn Bhd (MEMC Ipoh) | Manufacturing and trading of silicon wafers | 100% | 100% | |
| GWBV | GlobiTech Incorporated (GTI) | Manufacturing and trading of epitaxial wafers and silicon wafers | 100% | 100% | |
| GWBV | Topsil GlobalWafers A/S (Topsil A/S) | Manufacturing and trading of silicon wafers | 100% | 100% | |

| Name of Investor | Name of subsidiary | Business | Percentage of Ownership December 31, 2024 | Percentage of Ownership December 31, 2023 | Note |
|---|---|---|---|---|---|
| Crystalwise (HK) | YHTM | Manufacturing and trading of optoelectronic wafers and substrate material | 80.31% | 80.94% | |
| GTI | MEMC LLC | Research and development, manufacturing and trading of silicon wafers | 100% | 100% | |
| GTI | GlobalWafers America, LLC (GWA) | Manufacturing and trading of silicon wafers | 100% | 100% | |
| SSKT | Yuan Hong Technical Materials Ltd. (MHTM) | Manufacturing and sales of lithium tantalate and lithium niobate wafers | 90% | 90% | |
| Actron | DING-WEI Technology Co., Ltd. | Manufacture of electronic components and motor parts | 100% | 100% | Note 4 |
| Actron | Smooth International Limited Corporation | Investment activities | 100% | 100% | Note 4 |
| Smooth International Limited Corporation | Smooth Autocomponent Limited | Investment activities | 100% | 100% | Note 4 |
| Smooth Autocomponent Limited | Smooth Auto Parts (Qingdao) Co., Ltd. | Manufacture of motor parts | 100% | 100% | Note 4 |
| Actron | REC Technology Corporation | Manufacture of motor parts | 49% | 49% | Note 4 |
| Actron | Bigbest solution, Inc. | Manufacture of motors | 28% | 28% | Note 4 |
| Actron | Mosel Vitekic Inc. | Semiconductor holding company | 29% | 29% | Note 4 |
| Actron | Hongwang | Investment activities | 30% | 30% | Note 5 |
| MVI | Giant Haven Investments Ltd. (B.V.I) | Holding company | 100% | 100% | Note 4 |
| MVI | Mou Fu Investment Consultant Ltd. | Leasing, manpower dispatch and various services | 100% | 100% | Note 4 |
| MVI | Bou-Der Investment, Ltd. | Investment activities | 47% | 47% | Note 3(4) and 4 |
| MVI | DenMOS Technology Inc. | R&D, design, manufacturing and sale of LCD driving ICs and other application-specific Ics | 80% | 80% | Note 4 |
| Mou Fu Investment Consultant Ltd. | Bou-Der Investment, Ltd. | Investment activities | 50% | 50% | Note 3(4) and 4 |
| Mou Fu Investment Consultant Ltd. | Den MOS Technology Inc. | R&D, design, manufacturing and sale of LCD driving ICs and other application-specific Ics | 4% | 4% | Note 4 |

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 equity interests in 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 changes were as follows:

(1) GWCC was established in April 2024.

(2) Bou-Der Investment, Ltd. is currently undergoing liquidation procedures.

Note 4: The Group holds 25.56% 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 returns, the Group obtained control over Actron.

Note 5: The Group via its subsidiaries, namely Actron and GlobalWafers, holds 60.98% of Hongwang's shares. Thus, Hongwang was included in the financial statements.

Note 6: The Group holds 45.01% of the voting shares of Anneal Energy, and it's made the Group the single largest shareholder of the investee. As of December, 2024, the Group obtained four director seats and 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 returns, the Group obtained control over Anneal Energy.

Note 7: The Group obtained 51% shares of Waferchem Technology Corporation on December 31, 2024.

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

(4) Foreign currencies

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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

B. Foreign operations

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

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

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

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

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

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

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

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

D. The asset is cash or 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 is expected to be settled in the normal operating cycle;

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

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

D. The Group 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.

(6) Cash and cash equivalent

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

(7) Financial instruments

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

A. Financial assets

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

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

(a) Financial assets measured at amortized cost

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

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

(e) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

(f) Derecognition of financial assets

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

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

B. Financial liabilities and equity instruments

(a) Classification of debt or equity

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

(b) Equity instruments

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

(c) Treasury shares

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

(d) Compound financial instruments

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

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

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(e) Financial liabilities

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

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

(f) Derecognition of financial liabilities

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

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

(g) Offsetting of financial assets and liabilities

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

C. Derivative financial instruments

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

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

(8) Inventories

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

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

(9) Investment in associates

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

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

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

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

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

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

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

(10) Property, plant and equipment

A. Recognition and measurement

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

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

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

B. Subsequent cost

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

C. Depreciation

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

Land is not depreciated.

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

(a) Buildings and improvements: 2~60 years

(b) Machinery and equipment: 1~30 years

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

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

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

(11) Leases

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

A. As a lessee

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

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

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

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

(a) fixed payments, including in-substance fixed payments;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) amounts expected to be payable under a residual value guarantee; and

(d) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(a) there is a change in future lease payments arising from the change in an index or rate; or

(b) there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee; or

(c) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(d) there is a change of its assessment on whether it will exercise an extension or termination option; or

(e) there are any lease modifications

When the lease liability is remeasured, other than lease, modifications a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases with 12 months or less and leases of low-value assets, including other equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(12) Intangible assets

A. Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including customer relationship, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

C. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

(a) goodwill, expertise and trademarks: 15 years

(b) development costs: 10 years

(c) software: 1~10 years

(d) customer relationship and knowledge technology: 16.5 years

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

(13) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or a cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset' s carrying amount does not exceed the carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized for the assets in prior years.

(14) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A. Site restoration

In accordance with the Group' s published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land and the related expense are recognized when the land is contaminated. A provision for site restoration of lease land and the related expense are recognized over the term of the lease.

B. Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

(15) Revenue recognition

A. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(a) Sale of goods

The Group engages mainly in the research, development, production, design, and sales of semiconductor ingots and wafers, varistors, optoelectronics and communication wafer materials. The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered, as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(b) Product processing services

The Group provides processing of products and recognizes the relevant revenue during the financial reporting period of the labor service.

Revenue recognition for fixed price contracts is based on the ratio of services actually provided to total services as of the reporting date, which is determined by the percentage of labor performed to the total amount of labor to be performed.

If the situation changes, the estimates of revenue, cost, and degree of completion will be revised, and the increase or decrease in the period when the management is aware of the change in the situation will be reflected in profit or loss.

Under the fixed price contract, the customer pays a fixed amount in accordance with the agreed time schedule. When the services provided exceed the payment, the contract assets are recognized; if the payment exceeds the services provided, the contract liabilities are recognized.

If the contract is valued based on the number of hours in which the service is provided, the revenue is recognized by the amount in which the Group has the right to open an invoice. The Group will ask for a monthly payment from the customer and will receive the consideration after opening the invoice.

(c) Engineering contract

The Group is engaged in the contracting business of solar power plants. Since the assets are controlled by the customers at the time of construction, the revenue is gradually recognized over time based on the proportion of the engineering costs incurred to date to the estimated total contract costs. A fixed amount paid by the customer in accordance with the agreed time schedule. Certain changes in consideration are estimated using expectations from past experience; other changes are estimated at the most probable amount. The Group recognizes revenue only within the scope of the cumulative revenue level where it is highly probable that no significant reversal will occur. If the amount of revenue recognized has not been billed, it is recognized as a contract asset and the contract asset is transferred to the accounts receivable when there is an unconditional right to the consideration.

If the degree of completion of the performance obligation of the construction contract cannot be reasonably measured, the contract revenue is recognized only within the range of expected recoverable costs.

When the Group expects that the inevitable cost of performance of an engineering contract exceeds the economic benefit expected from the contract, the liability provision for the loss-making contract is recognized.

If the circumstances change, the estimates of revenue, cost and completion will be revised and the changes will be reflected in gain or loss when the management is informed of the change in circumstances and the amendment is made.

(d) Services

The Group provides services to its customers. Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

Revenue recognition for fixed price contracts is based on the ratio of services actually provided to total services as of the reporting date, which is determined by the percentage of labor performed to the total amount of labor to be performed.

If the situation changes, the estimates of revenue, cost, and degree of completion will be revised, and the increase or decrease in the period when the management is aware of the change in the situation will be reflected in profit or loss.

(e) Electric power revenue

The Group recognized its electric power revenue based on the actual electric units and electric rate.

(f) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(16) Government grants

The Group recognizes an unconditional government grant as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(17) Employee Benefits

A. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

B. Defined benefit plans

The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. Short-term employee benefits

Short-term employee benefit are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(18) Income tax

Income taxes comprise current taxes and deferred taxes. Except for items related to business combinations, or items recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are not recognized except for:

A. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

B. temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

C. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(a) the same taxable entity; or

(b) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(19) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest’ s proportionate share of the acquiree’ s identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquire’ s net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group's financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

(20) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee remuneration that could be settled in the form of stock. The Company's potential diluted ordinary share includes non-vested shares of restricted employee right and employee remuneration that has not been resolved by the Board of Directors and has been issued in the form of shares.

(21) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated financial statements, the management has made judgments and estimates about the future, including climate-related risks and opportunities, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

Judgment regarding control of subsidiaries

The Group considers that it is not the largest shareholder of associates with investments accounted for using the equity method. The Group still cannot obtain more than half of the total number of directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Group has significant influence.

Although the Group does not hold more than half of the voting shares in Actron Technology Corporation, Advanced Wireless Semiconductor Company, Taiwan Speciality Chemicals and Anneal Energy, it is the largest single shareholder of these invested companies. Additionally, the shares of other shareholders are highly dispersed or have the support of other shareholders. Therefore, the Group has the ability to affect those returns through its power over them, and thus, the Group determines that it has control over these invested companies.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(1) Impairment assessment of property, plant and equipment (including right-to-use assets)

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years.

(2) Impairment assessment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amount of relevant CGUs. Refer to note 6(12) for further description of the impairment of goodwill.

The Group’s accounting policies include measuring financial and non financial assets and liabilities at fair value through profit or loss. The Group’ s finance and accounting departments conduct independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This finance and accounting departments also periodically adjust valuation models, conduct back testing, renew input data for valuation models, and make all other necessary fair value adjustments to assure the rationality of fair value.

The Group strives to use the observable market inputs when measuring assets and liabilities. The hierarchy of the fair value categorized by the valuation techniques used is as follows:

Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For any transfer within the fair value hierarchy, the Group recognizes the transfer on the reporting date. For the assumption used in fair value measurement, please refer to note 6(29) of the financial instruments.

## 6. Explanation of significant accounts:

(1) Cash and cash equivalents

| | | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Cash on hand | $ | 4,768 | 8,709 |
| Demand deposits | | 18,027,226 | 17,341,914 |
| Time deposits | | 27,776,865 | 12,375,339 |
| Repurchase agreement | | 8,327,911 | 1,101,541 |
| | $ | **54,136,770** | **30,827,503** |

As of December 31, 2024 and 2023, the Group reclassified time deposits to other financial assets－current due to liquidity considerations amounting to $6,360,312 thousand and $30,483,644 thousand, respectively.

On November 28, 2019 and February 21, 2020, GlobalWafers applied to the National Taxation Bureau for the application of the Overseas Fund Repatriation Management, Utilization and Taxation Regulations. After approval, the funds were repatriated. 5% of the repatriated funds can be used freely, and the remaining 95% can only be used for special investment plans approved by the Ministry of Economic Affairs. Funds are deposited in a special account and cannot be used randomly for expenditure within five years. GlobalWafers has applied to the Ministry of Economic Affairs for substantial investment, and the funds are expected to be used for capital expenditures on factory expansion and the purchase of machinery, equipment and related assets. As of December 31, 2024 and 2023, the balances of the special accounts were $3,005,012 thousand and $2,698,377 thousand recorded in cash and cash equivalents (or other financial assets), respectively.

Please refer to note 6(29) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

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

| | | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Financial assets measured at fair value through profit or loss －current: | | | |
| Forward exchange contracts | $ | **28,751** | **9,995** |
| Financial assets measured at fair value through profit or loss －non-current: | | | |
| Overseas securities held | $ | 6,512,300 | 12,324,634 |
| Privately offered funds | | 254,686 | 242,864 |
| | $ | **6,766,986** | **12,567,498** |

| | | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Financial liabilities measured at fair value through profit or loss－current: | | | |
| Forward exchange contracts | $ | 94,142 | 289 |
| Embedded derivatives of convertible bonds | | - | 204,033 |
| | $ | **94,142** | **204,322** |

A. 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(28).

B. For the years ended December 31, 2024 and 2023, the dividends of $184,993 thousand and $431,786 thousand were recognized from investments in financial assets measured at fair value through profit or loss.

C. The Group issued overseas bonds with warrant the share of Siltronic AG in January 2024. When warrants are exercised, shares of Siltronic AG will be delivered to the holders. Please refer to note 6(17) for details.

D. 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 December 31, 2024 and 2023:

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Contract amount (in thousands) | | Currency | Maturity date |
| Forward exchange contracts: | | | | |
| Forward exchange contracts buy | USD | 30,000 | USD to EUR | October 29, 2025 |
| Forward exchange contracts sold | USD | 227,000 | USD to NTD | January 9, 2025~ March 24, 2025 |
| Forward exchange contracts sold | USD | 20,300 | USD to EUR | February 26, 2025~ March 26, 2025 |

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Contract amount (in thousands) | | Currency | Maturity date |
| Forward exchange contracts: | | | | |
| Forward exchange contracts sold | USD | 21,050 | USD to EUR | January 6, 2024~ February 27, 2024 |

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

| | | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Equity investments at fair value through other comprehensive income: | | | |
| Equity investment in foreign entities | $ | 740,541 | 1,335,211 |
| Equity investment in domestic entities | | 404,512 | 2,129,654 |
| Total | $ | **1,145,053** | **3,464,865** |

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.

Due to the changes in investment strategy for the years ended December 31, 2024 and 2023, the Group sold domestic equity investments designated to be measured at fair value through other comprehensive gains and losses, at the fair value of $1,012,804 thousand and $148,646 thousand, and the accumulated disposal gains amounted to $289,354 thousand and $85,272 thousand, respectively, which were reclassified from other equity to retained earnings.

The Group dividend income of NT$6,668 thousand and NT$17,318 thousand for the years ended December 31, 2024 and 2023, respectively, from the equity instruments at fair value through other comprehensive income.

For the disclosure of market risk, please refer to note 6(29).

For the situation where financial assets at fair value through other comprehensive income mention above are provided as pledge guarantee, please rater to note 8.

(4) Financial assets measured at amortized cost

| | | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Foreign bonds | $ | **6,524,215** | **-** |

A. GlobalWafers invested in foreign bonds, with the face value of US$199,000 thousand and a coupon rate ranging from 4.71% to 5.15%, as well as the maturity dates from October 8, 2026 to June 13, 2029. GlobalWafers 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 principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

B. The financial assets mentioned above were not pledged as collateral.

(5) Notes and accounts receivable, net

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Notes receivable | $ 305,612 | 242,784 |
| Accounts receivable | 12,303,038 | 12,010,476 |
| Less: Allowance for doubtful accounts | (17,581) | (25,211) |
| | **$ 12,591,069** | **12,228,049** |

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, note and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

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

| | December 31, 2024 | | |
|---|---|---|---|
| | **Gross amount of notes and accounts receivable** | **Weighted-average loss rate** | **Credit loss allowance** |
| Current | $ 12,035,265 | 0% | - |
| 1 to 30 days past due | 443,171 | 1% | 1,653 |
| 31 to 60 days past due | 108,429 | 1% | 1,504 |
| 61 to 90 days past due | 4,129 | 13% | 537 |
| 91 to 120 days past due | 4,188 | 21% | 893 |
| 121 to 150 days past due | 1,838 | 51% | 934 |
| 151 to 180 days past due | 809 | 83% | 675 |
| More than 181 days past due | 11,385 | 100% | 11,385 |
| Total | **$ 12,609,214** | | **17,581** |

| | December 31, 2023 | | |
|---|---|---|---|
| | **Gross amount of notes and accounts receivable** | **Weighted-average loss rate** | **Credit loss allowance** |
| Current | $ 11,925,627 | 0.005% | 564 |
| 1 to 30 days past due | 273,797 | 0.06% | 174 |
| 31 to 60 days past due | 25,511 | 5% | 1,267 |
| 61 to 90 days past due | 2,424 | 26.69% | 647 |
| 91 to 120 days past due | 5,696 | 46.8% | 2,666 |
| 121 to 150 days past due | 459 | 32% | 147 |
| More than 181 days past due | 19,746 | 100% | 19,746 |
| Total | **$ 12,253,260** | | **25,211** |

The movement in the allowance for notes and accounts receivable (including related parties) were as follows:

| | For the years ended December 31, 2024 | For the years ended December 31, 2023 |
|---|---|---|
| Balance on January 1 | $ 25,211 | 23,317 |
| Expected credit loss recognized (reversal of gains) | (766) | 17,569 |
| Amount written off which was considered uncollectible in the current period | (7,239) | (21,000) |
| Acquired through business acquisition | - | 4,793 |
| Foreign exchange gains (losses) | 375 | 532 |
| Balance on December 31 | **$ 17,581** | **25,211** |

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

The Group's accounts receivable factoring was as follows:

(Unit: currency in thousands)

| Counterparty | Sale amount | | Amount available for advance payment | | Amount advanced | | Annual interest rate on the amount advanced (%) |
|---|---|---|---|---|---|---|---|
| **December 31, 2024** | | | | | | | |
| Citibank | USD | 3,457 | USD | - | USD | 3,457 | 5.73~6.38 |
| | EUR | 9,609 | EUR | - | EUR | 9,609 | 3.81~4.06 |
| **December 31, 2023** | | | | | | | |
| Citibank | USD | 6,191 | USD | - | USD | 6,191 | 6.54~7.19 |
| | EUR | 5,171 | EUR | - | EUR | 5,171 | 4.97~5.22 |

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 sheets. Pursuant to the Group's factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Group, while losses from credit risk are borne by the banks.

(6) Inventories

| | | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Finished goods | $ | 3,433,548 | 2,857,518 |
| Work in progress | | 4,392,908 | 3,656,576 |
| Raw materials | | 6,149,733 | 6,042,303 |
| | $ | 13,976,189 | 12,556,397 |

Components of operating costs were as follows:

| | | For the years ended December 31, 2024 | For the years ended December 31, 2023 |
|---|---|---|---|
| Cost of goods sold | $ | 55,207,539 | 53,517,730 |
| Reversal of impairment loss (impairment loss) of property, plant and equipment (note 6 (10)) | | (26,346) | 994,928 |
| Rreversal of provisions for inventory valuation loss | | 51,007 | 139,945 |
| Unallocated fixed manufacturing expense | | 558,924 | 909,957 |
| Reversal of provisions for inventory valuation loss | | (387,304) | (283,200) |
| | $ | 55,403,820 | 55,279,360 |

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

(7) Investments accounted for using equity method

| Names of associates | Relationship with the Group | Main location/ country registered in | Percentage of equity ownership interests and voting rights December 31, 2024 | Percentage of equity ownership interests and voting rights December 31, 2023 |
|---|---|---|---|---|
| Accu Solar Corporation (ASC) | The main business is providing solar modules | Taiwan | 24.70 % | 24.70 % |
| Excelliance MOS Corporation | Mainly engages in the manufacturing of semiconductor | Taiwan | 29.00 % | 29.00 % |
| Excelliance MOS Corporation | Electricity activities | Taiwan | 40.00 % | - % |

The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

| | | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Carrying amount of individually insignificant associates' equity | $ | 1,567,664 | 1,494,831 |

| | | For the years ended December 31, 2024 | 2023 |
|---|---|---|---|
| Attributable to the Group: | | | |
| Net income | $ | 88,738 | 216,455 |
| Other comprehensive income | | - | 31,738 |
| Total comprehensive income | **$** | **88,738** | **248,193** |

A. For the years ended December 31, 2024 and 2023, the cash dividends from the investees were $61,650 thousand and $137,557 thousand, respectively, which were recognized as deductions of investments accounted for using the equity method.

B. Collateral

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

(8) Business combination

A. the Group acquired Anneal Energy as a subsidiary

(a) On December 6, 2024, the Group acquired 45.01% equity of Anneal Energy, thereby obtaining control over it. Anneal Energy mainly provides green power management services. The Group integrates resources for purchasing and selling electricity through the acquisition of Anneal Energy, expanding sources of green power procurement and sales channels, thereby enhancing the Group's overall competitiveness in the green power market.

The Group acquired 45.01% of Anneal Energy’s shares for $141,565 thousand.

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

| | | | | |
|---|---|---|---|---|
| Consideration transferred | | | $ | - |
| Add: Fair value of original interest in acquiree | | | | 141,565 |
| Non-controlling interests | | | | 173,760 |
| Less: Fair value of the identifiable net assets | | | | |
| Cash and cash equivalents | $ | 155,215 | | |
| Accounts receivable, net | | 10,383 | | |
| Other current assets | | 6,052 | | |
| Intangible assets－Customer relationship | | 172,954 | | |
| Other non-current assets | | 9,594 | | |
| Long-term borrowings (including current portion) | | (9,662) | | |
| Other current liabilities | | (29,211) | | 315,325 |
| | | | **$** | **-** |

B. the Group acquired Waferchem Technology as a subsidiary

(a) On December 31, 2024, the Group acquired 51% equity of Waferchem Technology, thereby obtaining control over it. Waferchem Technology is a supplier of semiconductor packaging materials. The Group aims to expand its presence in the semiconductor sector and enhance operational synergy through the acquisition of Waferchem Technology

The Group acquired 51% of Waferchem Technology's shares for $143,633 thousand.

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

| | | |
|---|---|---|
| Consideration transferred | | $ - |
| Add: Fair value of original interest in acquiree | | 143,633 |
| Non-controlling interests | | 75,835 |
| Less: Fair value of the identifiable net assets | | |
| Cash and cash equivalents | $ 102,583 | |
| Accounts receivable, net | 2,683 | |
| Inventories | 12,230 | |
| Other current assets | 55,050 | |
| Property, plant and equipment | 18,573 | |
| Intangible assets | 358 | |
| Other non-current assets | 52,982 | |
| Notes and accounts payable | (2,700) | |
| Other current liabilities | (5,310) | |
| Other non-current liabilities | (16,981) | 219,468 |
| | | $ - |

C. the Group acquired SSKT as a subsidiary

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

The Group acquired 100% shares of SSKT for CNY $100,000 thousand ($443,300 thousand). The details of fair value of identifiable net assets acquired, and liabilities assumed at the acquisition date were as follows:

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

Goodwill arising from the business acquisitions was determined as follows:

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

(b) As of December 31, 2023, SSKT contributed revenue of $100,441 thousand and loss after tax of $(55,737) thousand to the Group's operating results. If the acquisition had occurred on January 1, 2023, management estimated that consolidated revenue would have increased $140,396 thousand, and consolidated profit would have increased $(35,339) thousand.

D. the Group acquired CWT as a subsidiary

(a) On November 1, 2023, the Group acquired 100% of the shares and voting interests in CWT, manufacturer and distributor of optoelectronic wafers and substrate material. As a result, the Group obtained control of CWT. The Group aims to deepen its business presence into 5G and satellite communication industries through the acquisition of CWT.

GlobalWafers issued 876,725 new shares (with a total amount of $437,924 thousand) to the shareholders of CWT as a consideration and carried out share conversion with CWT allowing the Group to acquire 100% ownership of CWT. The details of fair value of identifiable net assets acquired, and liabilities assumed at the acquisition date were as follows:

| | | |
|---|---|---|
| Cash and cash equivalents | $ | 122,168 |
| Notes and accounts receivable, net | | 15,866 |
| Accounts receivable due from related parties | | 953 |
| Inventories | | 20,727 |
| Other current assets | | 35,038 |
| Property, plant and equipment | | 140,065 |
| Intangible assets | | 116 |
| Other non-current assets | | 404,235 |
| Short-term borrowings | | (140,000) |
| Notes and accounts payable | | (18,272) |
| Accounts payable to related parties | | (12,225) |
| Other current liabilities | | (54,025) |
| Long term borrowings | | (44,688) |
| Other current liabilities | | (32,034) |
| | **$** | **437,924** |

Goodwill arising from the business acquisitions was determined as follows:

| | | |
|---|---|---|
| Consideration transferred | $ | 437,924 |
| Less: fair value of the identifiable net assets | | (437,924) |
| Goodwill | **$** | **-** |

(b) As of December 31, 2024, CWT contributed revenue of $14,808 thousand and loss after tax of $(18,679) thousand to the Group's operating results. If the acquisition had occurred on January 1, 2023, management estimated that consolidated revenue would have increased $80,762 thousand, and consolidated profit would have increased $(15,898) thousand.

E. the Group acquired Actron as a subsidiary

(a) The Group had acquired total of 24.58% of the common shares of Actron and is the single largest shareholder of the investee. As of October 2, 2023, the Group obtained the support from other shareholders. Considering the Group's power over the investee, exposure or rights to variable returns, and the ability to use its power over the entity to affect the amount of the investee's remuneration, the Group obtained the control over the investee and included it in the consolidated financial statements from the date of obtaining control.

(b) The details of the identifiable net assets acquired, the fair value of the bank assumed and the goodwill recognized are as follows:

The details of the fair value of the identifiable assets and liabilities assumed by Actron and its subsidiaries on October 2, 2023 (the date when control was obtained) are as follows:

| | | |
|---|---|---|
| Consideration transferred | | $ - |
| Add: Fair value of original interest in acquiree | | 4,263,936 |
| Non-controlling interests | | 7,735,704 |
| Less: Fair value of the identifiable net assets | | |
| Cash and cash equivalents | $ 1,889,146 | |
| Financial assets measured at amortized cost - current | 984,609 | |
| Accounts receivable, net | 984,783 | |
| Inventories | 1,170,545 | |
| Other current assets | 169,124 | |
| Financial assets at fair value through other comprehensive income non current | 814,665 | |
| Financial assets measured at amortized cost non current | 18,410 | |
| Investments accounted for using equity method | 2,496,051 | |
| Property, plant and equipment | 6,604,990 | |
| Right of use assets | 333,248 | |
| Intangible assets | 9,427 | |
| Intangible assets - goodwill | 1,137,588 | |
| Other non-current assets | 74,853 | |
| Short term borrowings | (1,115,020) | |
| Notes and accounts payable | (630,715) | |
| Other payables | (510,196) | |
| Lease liabilities - current/non current | (320,351) | |
| Long term borrowings (current portion) | (1,304,706) | |
| Bonds payable | (758,604) | |
| Other current liabilities | (368,449) | |
| Other non-current liabilities | (219,165) | 11,460,233 |
| | | **$ 539,407** |

(c) Intangible assets

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

(d) Pro forma of operating results

Since October 2, 2023 the operating results of Actron have been merged into the consolidated comprehensive income statment of the Group. The net operating revenues and net profit after tax contributed are $1,625,130 thousand and $(19,601) thousand, respectively. If it is assumed that the acquisition date occured on January 1, 2023, the pro forma net operating revenues and net profit after tax of the Group from January 1 to December 31, 2023 will increase by $5,648,694 thousand and $611,762 thousand, respectively.

F. the Group acquired Hongwang as a subsidiary

(a) As of 2 October, Hongwang is considered a subsidiary. The Group via its subsidiaries, namely Actron and GlobalWafers, holds 60.98% of Hongwang's shares. Thus, Hongwang was included in the consolidated financial statements.

(b) The details of the identifiable net assets acquired, the fair value of the bank assumed and the goodwill recognized are as follows:

The details of the fair value of the identifiable assets and liabilities assumed by Hongwang on October 2, 2023 (the date when control was obtained) are as follows:

| | | |
|---|---|---|
| Consideration transferred | | $ - |
| Add: Fair value of original interest in acquiree | | 2,147,538 |
| Non-controlling interests | | 1,374,170 |
| Less: Fair value of the identifiable net assets | | |
| Cash and cash equivalents | $ 595 | |
| Inventories | 3,932,850 | |
| | (411,700) | |
| Other current liabilities | (37) | |
| Other non-current liabilities | - | 3,521,708 |
| | | **$ -** |

(c) Pro forma of operating results

Since October 2, 2023 the operating results of Hongwang have been merged into the consolidated comprehensive income statment of the Group. The net operating revenues and net profit after tax contributed are $0 thousand and $(2,218) thousand, respectively. If it is assumed that the acquisition date occured on January 1, 2023, the pro forma net operating revenues and net profit after tax of the Group from January 1 to December 31, 2023 will increase by $0 thousand and $(4,909) thousand, respectively.

(9) Material non-controlling interests of subsidiaries

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

| Name of subsidiary | Main business place / company registered country | % of ownership interests under non-controlling interests as well as the voting rights December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| GlobalWafers | Taiwan | 53.36 % | 48.86 % |
| Actron | Taiwan | 74.44 % | 75.42 % |
| Advanced Wireless | Taiwan | 71.54 % | 72.38 % |
| TSC | Taiwan | 71.48 % | 69.91 % |

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 Group were not eliminated in this information.

A. The following summarizes the financial information of GlobalWafers:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current assets | $ 80,491,722 | 90,101,089 |
| Non-current assets | 144,088,849 | 98,886,912 |
| Current liabilities | (65,064,566) | (74,274,283) |
| Non-current liabilities | (68,488,214) | (48,260,093) |
| Net assets | **$ 91,027,791** | **66,453,625** |
| Net assets attributable to non-controlling interests | **$ 48,572,429** | **32,469,241** |

| | For the years ended December 31, 2024 | 2023 |
|---|---|---|
| Sales revenue | **$ 62,626,004** | **70,651,593** |
| Net income | $ 9,838,780 | 19,769,641 |
| Other comprehensive income | 493,595 | (461,302) |
| Total comprehensive income | **$ 10,332,375** | **19,308,339** |
| Net income, attributable to non-controlling interests | **$ 5,249,973** | **9,659,447** |
| Comprehensive income, attributable to non-controlling interests | **$ 5,513,355** | **9,434,054** |

| | | 2024 | 2023 |
|---|---|---|---|
| Net cash flows from operating activities | $ | 13,118,005 | 18,564,765 |
| Net cash flows used in investing activities | | (27,696,451) | (73,041,536) |
| Net cash flows from (used in) financing activities | | 25,740,475 | (1,903,413) |
| Effects of changes in foreign exchange rates | | 1,602,717 | (913,252) |
| Net increase (decrease) in cash and cash equivalents | **$** | **12,764,746** | **(57,293,436)** |

B. The following summarizes the financial information of Actron

| | | **December 31, 2024** | **December 31, 2023** |
|---|---|---|---|
| Current assets | $ | 5,121,345 | 5,211,771 |
| Non-current assets | | 10,508,438 | 10,201,865 |
| Current liabilities | | (2,964,508) | (3,279,653) |
| Non-current liabilities | | (2,730,965) | (2,099,733) |
| Net assets | **$** | **9,934,310** | **10,034,250** |
| Net assets attributable to non-controlling interests | **$** | **7,395,100** | **7,567,831** |

| | | **For the years ended December 31, 2024** | **October 2 to December 31, 2023** |
|---|---|---|---|
| Sales revenue | | **7,582,182** | **1,625,130** |
| Net income | $ | 897,429 | (19,601) |
| Other comprehensive income | | (584,735) | 438,381 |
| Total comprehensive income | **$** | **312,694** | **418,780** |
| Net income (loss), attributable to non-controlling interests | | 668,046 | (14,783) |
| Comprehensive income, attributable to non-controlling interests | **$** | **232,769** | **315,844** |
| Net cash flows from operating activities | $ | 944,531 | 1,050,506 |
| Net cash flows used in investing activities | | (1,186,302) | (953,205) |
| Net cash flows from (used in) financing activities | | (256,877) | 1,040,531 |
| Effects of changes in foreign exchange rates | | 3,629 | (1,818) |
| Net (decrease) increase in cash and cash equivalents | **$** | **(495,019)** | **1,136,014** |

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

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current assets | $ 4,222,019 | 3,572,983 |
| Non-current assets | 5,342,115 | 5,228,068 |
| Current liabilities | (774,970) | (828,039) |
| Non-current liabilities | (982,639) | (490,896) |
| Net assets | **$ 7,806,525** | **7,482,116** |
| Net assets attributable to non-controlling interests | **$ 5,584,788** | **5,415,556** |

| | For the years ended December 31, 2024 | 2023 |
|---|---|---|
| Sales revenue | **$ 4,455,584** | **2,723,100** |
| Net income | $ 520,924 | 82,726 |
| Total comprehensive income | **$ 520,924** | **82,726** |
| Net income, attributable to non-controlling interests | $ 372,669 | 59,877 |
| Comprehensive income, attributable to non-controlling interests | **$ 372,669** | **59,877** |

| | For the years ended December 31, 2024 | 2023 |
|---|---|---|
| Net cash flows from operating activities | $ 1,248,674 | 136,592 |
| Net cash flows used in investing activities | (820,700) | (498,024) |
| Net cash flows from financing activities | 419,071 | 427,245 |
| Net increase in cash and cash equivalents | **$ 847,045** | **65,813** |

D. The following summarizes the financial information of TSC

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current assets | $ 2,034,149 | 420,992 |
| Non-current assets | 1,351,246 | 1,419,353 |
| Current liabilities | (153,120) | (83,567) |
| Non-current liabilities | (107) | (196) |
| Net assets | **$ 3,232,168** | **1,756,582** |
| Net assets attributable to non-controlling interests | **$ 2,310,354** | **1,228,026** |

| | For the years ended December 31, 2024 | 2023 |
|---|---|---|
| Sales revenue | **$ 873,964** | **553,523** |

| | For the years ended December 31, 2024 | For the years ended December 31, 2023 |
|---|---|---|
| Net income | $ 385,593 | 155,653 |
| Total comprehensive income | **$ 385,593** | **155,653** |
| Net income, attributable to non-controlling interests | $ 275,622 | 108,817 |
| Comprehensive income, attributable to non-controlling interests | **$ 275,622** | **108,817** |

| | For the years ended December 31, 2024 | For the years ended December 31, 2023 |
|---|---|---|
| Net cash flows from operating activities | $ 528,886 | 234,641 |
| Net cash flows used in investing activities | (1,045,880) | (100,219) |
| Net cash flows from (used in) financing activities | 1,087,814 | (94,252) |
| Net increase in cash and cash equivalents | **$ 570,820** | **40,170** |

(10) Property, plant and equipment

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

| | Land | Buildings | Machinery and equipment | Other equipment | Construction in progress and equipment awaiting inspection | Total |
|---|---|---|---|---|---|---|
| Cost or deemed cost: | | | | | | |
| Balance at January 1, 2024 | $ 5,804,320 | 32,112,614 | 77,638,895 | 13,008,662 | 34,760,600 | 163,325,091 |
| Acquisition in business combination | - | - | 26,461 | 3,915 | - | 30,376 |
| Additions | 28,532 | 179,885 | 800,848 | 306,145 | 56,788,903 | 58,104,313 |
| Disposals | (3,893) | (277,329) | (5,034,236) | (394,472) | (34,129) | (5,744,059) |
| Reclassification and transfer | 70,740 | 9,154,067 | 12,804,996 | 60,668 | (23,186,619) | (1,096,148) |
| Effect of changes in exchange rates | (54,379) | (59,996) | (1,479,426) | 194,327 | 1,402,678 | 3,204 |
| Balance at December 31, 2024 | **$ 5,845,320** | **41,109,241** | **84,757,538** | **13,179,245** | **69,731,433** | **214,622,777** |
| Balance at January 1, 2023 | $ 4,075,968 | 21,157,254 | 54,827,539 | 10,996,666 | 9,096,604 | 100,154,031 |
| Acquisition in business combination | 1,807,756 | 6,148,141 | 17,798,869 | 804,304 | 647,217 | 27,206,287 |
| Additions | 16,044 | 164,013 | 413,445 | 1,089,633 | 39,623,455 | 41,306,590 |
| Disposals | - | (73,984) | (1,500,121) | (337,633) | (32,717) | (1,944,455) |
| Reclassification and transfer | 8,608 | 5,327,709 | 8,127,213 | 570,169 | (14,150,008) | (116,309) |
| Effect of changes in exchange rates | (104,056) | (610,519) | (2,028,050) | (114,477) | (423,951) | (3,281,053) |
| Balance at December 31, 2023 | **$ 5,804,320** | **32,112,614** | **77,638,895** | **13,008,662** | **34,760,600** | **163,325,091** |

| | | Land | Buildings | Machinery and equipment | Other equipment | Construction in progress and equipment awaiting inspection | Total |
|---|---|---|---|---|---|---|---|
| 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 |
| Acquisition in business combination | | - | - | 9,755 | 2,048 | - | 11,803 |
| Depreciation for the period | | - | 1,228,105 | 7,441,291 | 944,554 | - | 9,613,950 |
| Impairment loss (reversal of impairment loss) | | - | 510 | (9,661) | (12,195) | - | (21,346) |
| Disposals | | - | (256,222) | (4,831,290) | (387,624) | - | (5,475,136) |
| Reclassification and transfer | | - | 5,438 | 493,810 | (1,630) | - | 497,618 |
| Effect of changes in exchange rates | | - | (51,152) | (1,035,326) | 62,485 | 658 | (1,023,335) |
| Balance at December 31, 2024 | **$** | **24,476** | **15,766,324** | **54,117,393** | **7,311,271** | **41,492** | **77,260,956** |
| Balance at January 1, 2023 | $ | - | 10,530,885 | 32,490,225 | 5,215,953 | 51,006 | 48,288,069 |
| Acquisition in business combination | | 24,476 | 3,610,590 | 15,945,554 | 570,904 | 1,974 | 20,153,498 |
| Depreciation for the period | | - | 913,178 | 6,379,488 | 846,049 | - | 8,138,715 |
| Impairment loss | | - | 230,666 | 304,548 | 459,714 | - | 994,928 |
| Disposals | | - | (71,005) | (1,402,766) | (320,699) | - | (1,794,470) |
| Reclassification and transfer | | - | (326) | (880) | 9,172 | (12,140) | (4,174) |
| Effect of changes in exchange rates | | - | (374,343) | (1,667,355) | (77,460) | (6) | (2,119,164) |
| Balance at December 31, 2023 | **$** | **24,476** | **14,839,645** | **52,048,814** | **6,703,633** | **40,834** | **73,657,402** |
| Carrying amounts: | | | | | | | |
| Balance at December 31, 2024 | **$** | **5,820,844** | **25,342,917** | **30,640,145** | **5,867,974** | **69,689,941** | **137,361,821** |
| Balance at January 1, 2023 | **$** | **4,075,968** | **10,626,369** | **22,337,314** | **5,780,713** | **9,045,598** | **51,865,962** |
| Balance at December 31, 2023 | **$** | **5,779,844** | **17,272,969** | **25,590,081** | **6,305,029** | **34,719,766** | **89,667,689** |

B. Impairment loss

As of December 31, 2024 and 2023, the Group recognized impairment loss (reversal of impairment) of some machinery amount to ($21,346) thousand and $994,928 thousand, respectively, due to the changes in production technology, which incurred as non-operating income and operating costs in the statement of comprehensive income.

C. Collateral

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

D. Property, plant and equipment in construction

As of December 31, 2024 and 2023, for the Group's capital expenditure plan, the total amounts of expenditures incurred but the construction has not yet been completed are $69,689,941 thousand and $34,576,850, respectively, which include capitalized borrowing costs related to the acquisition of the construction of the property, plant and equipment of $1,415,277 thousand and $245,107 thousand, calculated using a capitalization interest rate of 0.09%-5.60% and 4.53%-6.29%, respectively.

(11) Right-of-use assets

| | Land | Buildings | Other equipment | Total |
|---|---|---|---|---|
| Cost: | | | | |
| Balance at January 1, 2024 | $ 1,185,094 | 317,686 | 556,694 | 2,059,474 |
| Additions | 56,040 | 46,909 | 55,305 | 158,254 |
| Disposals and transfer | (84,447) | (181,374) | (13,895) | (279,716) |
| Effect of changes in exchange rates | 589 | (487) | 22,125 | 22,227 |
| Balance at December 31, 2024 | **$ 1,157,276** | **182,734** | **620,229** | **1,960,239** |
| Balance at January 1, 2023 | $ 814,458 | 265,192 | 192,206 | 1,271,856 |
| Acquisition through business combination | 381,770 | 28,543 | 5,276 | 415,589 |
| Additions | - | 57,170 | 472,255 | 529,425 |
| Disposals and transfer | (8,758) | (26,352) | (101,690) | (136,800) |
| Effect of changes in exchange rates | (2,376) | (6,867) | (11,353) | (20,596) |
| Balance at December 31, 2023 | **$ 1,185,094** | **317,686** | **556,694** | **2,059,474** |
| Depreciation and impairment losses: | | | | |
| Balance at January 1, 2024 | $ 289,109 | 200,858 | 109,833 | 599,800 |
| Depreciation for the period | 61,954 | 58,634 | 104,034 | 224,622 |
| Disposals and transfer | (40,362) | (156,851) | (12,058) | (209,271) |
| Effect of changes in exchange rates | (48) | (584) | 1,241 | 609 |
| Balance at December 31, 2024 | **$ 310,653** | **102,057** | **203,050** | **615,760** |
| Balance at January 1, 2023 | $ 191,314 | 147,234 | 117,346 | 455,894 |
| Acquisition through business combination | 54,521 | 26,300 | 1,520 | 82,341 |
| Depreciation for the period | 52,389 | 57,258 | 97,672 | 207,319 |
| Disposals and transfer | (8,128) | (26,295) | (101,690) | (136,113) |
| Effects of changes in exchange rates | (987) | (3,639) | (5,015) | (9,641) |
| Balance at December 31, 2023 | **$ 289,109** | **200,858** | **109,833** | **599,800** |
| Carrying amount: | | | | |
| Balance at December 31, 2024 | **$ 846,623** | **80,677** | **417,179** | **1,344,479** |
| Balance at January 1, 2023 | **$ 623,144** | **117,958** | **74,860** | **815,962** |
| Balance at December 31, 2023 | **$ 895,985** | **116,828** | **446,861** | **1,459,674** |

(12) Intangible assets

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

| | Goodwill | Patents, expertise and trademarks | Development costs | Customer relationship and knowledge technology | Computer software | Total |
|---|---|---|---|---|---|---|
| Cost: | | | | | | |
| Balance at January 1, 2024 | $ 4,936,123 | 3,013,030 | 293,138 | 2,985,600 | 218,181 | 11,446,072 |
| Acquisition in business combination | - | 358 | - | 172,954 | 994 | 174,306 |
| Additions | - | - | - | - | 19,227 | 19,227 |
| Disposals | - | (22) | (10,086) | - | (13,729) | (23,837) |
| Effect of changes in exchange rates | 188,802 | 10,330 | 2,554 | (739) | 5,749 | 206,696 |
| Balance at December 31, 2024 | **$ 5,124,925** | **3,023,696** | **285,606** | **3,157,815** | **230,422** | **11,822,464** |
| Balance at January 1, 2023 | $ 3,021,845 | 2,980,488 | 283,615 | 2,985,600 | 146,204 | 9,417,752 |
| Acquisition in business combination | 1,993,160 | 33,046 | - | - | 79,369 | 2,105,575 |
| Additions | - | - | - | - | 11,860 | 11,860 |
| Reclassification | - | - | - | - | 34 | 34 |
| Disposals | - | - | - | - | (18,996) | (18,996) |
| Effect of changes in exchange rates | (78,882) | (504) | 9,523 | - | (290) | (70,153) |
| Balance at December 31, 2023 | **$ 4,936,123** | **3,013,030** | **293,138** | **2,985,600** | **218,181** | **11,446,072** |
| Amortization and impairment loss: | | | | | | |
| Balance at January 1, 2024 | $ 827,077 | 2,347,027 | 245,369 | 2,160,952 | 170,434 | 5,750,859 |
| Acquisition in business combination | - | - | - | - | 28 | 28 |
| Amortization for the year | - | 85,881 | 12,700 | 64,233 | 22,824 | 185,638 |
| Disposals | - | (5) | (10,086) | - | (13,729) | (23,820) |
| Effect of changes in exchange rates | - | 9,348 | 1,979 | - | 5,039 | 16,366 |
| Balance at December 31, 2024 | **$ 827,077** | **2,442,251** | **249,962** | **2,225,185** | **184,596** | **5,929,071** |
| Balance as of January 1, 2023 | $ - | 1,869,818 | 225,227 | 100,251 | 97,876 | 2,293,172 |
| Acquisition in business combination | 283,636 | - | - | - | 69,462 | 353,098 |
| Amortization for the year | - | 129,035 | 12,493 | 189,147 | 22,051 | 352,726 |
| Impairment loss | 543,441 | 348,250 | - | 1,871,554 | - | 2,763,245 |
| Disposals | - | - | - | - | (18,996) | (18,996) |
| Effect of changes in exchange rates | - | (76) | 7,649 | - | 41 | 7,614 |
| Balance at December 31, 2023 | **$ 827,077** | **2,347,027** | **245,369** | **2,160,952** | **170,434** | **5,750,859** |
| Carrying amounts: | | | | | | |
| Balance at December 31, 2024 | **$ 4,297,848** | **581,445** | **35,644** | **932,630** | **45,826** | **5,893,393** |
| Balance at January 1, 2023 | **$ 3,021,845** | **1,110,670** | **58,388** | **2,885,349** | **48,328** | **7,124,580** |
| Balance at December 31, 2023 | **$ 4,109,046** | **666,003** | **47,769** | **824,648** | **47,747** | **5,695,213** |

Intangible assets (include goodwill) impairment testing

For the purpose of impairment testing, goodwill was allocated to the semiconductor business segment, renewable energy segment and automotive components segment. Each segment regularly performs impairment testing of the above intangible assets according to its cash-generating units. The Group's goodwill has been tested for impairment at least once at the end of each annual reporting period and the recoverable amount is determined based on discounted cash flows.

The recoverable amount of Company had been determined based on a value in use calculation. The calculation uses pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. As the actual operating revenue generated by specific semiconductor cash-generating unit was not as expected, based on the test results, the amount of impairment recognized by the cash-generating unit was $2,763,245 thousand in 2023. As of December 31 2024, the recoverable amount was greater than its carrying amount and no impairment loss was recognized.

The key assumptions used in the estimation of value in use were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Discount rate | 5.2%~5.61% | 8.43%~12.38% |
| Growth rate | 2.48% | 2.22% |

The discount rate was a pre-tax measure based on the rate of ten-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specific CGU.

Cash flow projections are based on five-year financial budgets estimated by the management.

The intangible assets mentioned above were not pledged as collateral.

(13) Other assets－current and non-current

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Prepayment of materials | $ 850,058 | 1,041,924 |
| Tax refunds and credits | 1,659,724 | 1,314,909 |
| Prepayment of equipment | 2,906,806 | 4,265,005 |
| Others | 933,313 | 852,312 |
| | **$ 6,349,901** | **7,474,150** |

(14) Short-term notes and bills payable

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Commercial paper payable | **$ 3,999,248** | **-** |

There were no issues, repurchase and repayments of short-term notes and bills payable for the year ended December 31, 2023. Information on interest expense for the period is discussed in note 6(27).

(15) Short-term borrowings

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Unsecured bank loans | $ 28,466,380 | 31,397,962 |
| Secured bank loans | 396,900 | 413,200 |
| | **$ 28,863,280** | **31,811,162** |
| Range of interest rates at the year end | **0.5%~5.3%** | **0.7%~6.07%** |

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

(16) Long-term borrowings

The details of long-term borrowings were as follows:

| | **December 31, 2024** | | |
|---|---|---|---|
| | **Interest** | **Maturity** | **Amount** |
| Unsecured borrowings | 0.10%~5.23% | 2026.05~2029.12 | $ 7,311,499 |
| Secured borrowings | 1.73%~5.1551% | 2025.05~2029.01 | 10,095,789 |
| Less: current portion | | | (2,413,766) |
| Total | | | **$ 14,993,522** |

| | **December 31, 2023** | | |
|---|---|---|---|
| | **Interest** | **Maturity** | **Amount** |
| Unsecured borrowings | 0.10%~6.03% | 2026.1~2029.12 | $ 6,384,827 |
| Less: current portion | | | (1,870,689) |
| Total | | | **$ 4,514,138** |
| Unused credit lines | | | **$ 2,070,000** |

(17) Bonds payable

The details of bonds payable were as follow:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Unsecured ordinary bonds－GlobalWafers | $ 16,890,669 | 18,991,451 |
| Unsecured convertible bonds－GlobalWafers | - | 6,647,050 |
| Exchangeable bonds with warrants－GlobalWafers | 10,256,704 | - |
| Unsecured convertible bonds－Actron | 776,258 | 762,039 |
| Less: current portion | - | (13,745,450) |
| Total | **$ 27,923,631** | **12,655,090** |

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

| | First issued of 2021 | Second issued of 2021 | | First issued of 2024 | |
|---|---|---|---|---|---|
| | | 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 |

On August 19, 2024, GlobalWafers redeemed all of the unsecured ordinary bonds of Bonds A, which were second issued in 2021.

B. On April 21, 2021, GlobalWafers' Board of Directors resolved to issue the first unsecured overseas convertible bonds on the Singapore Exchange Limited, which had been approved by the Financial Supervisory Commission with approval No.1100342091 on May 19, 2021. The GlobalWafers 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:

| | December 31, 2023 |
|---|---|
| Total outstanding convertible bonds | $ 6,841,854 |
| Unamortized discount | (194,804) |
| Convertible bonds balance at period-end | **$ 6,647,050** |
| Embedded derivatives – call and put options, included in financial liabilities at fair value through profit or loss | **$ 204,033** |

| | For the years ended December 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) | **$ (55,393)** | **63,494** |
| Interest expense | **$ 24,548** | **162,663** |

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

Except for the early redemption, repurchase and cancellation or conversion of the convertible bonds, the holders may request GlobalWafers to redeem entire or part of the convertible bonds according to the early redemption amount on the day of June 1, 2024. So, on June 1, 2023, the unsecured convertible bonds were reclassified to current liabilities. It does not mean that the holders will definitely demand repayment of the debt from GlobalWafers 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 December 31, 2023, the conversion price of the bonds was NT$970.33. After the issuance of the bonds, the conversion price were adjusted in accordance with the relevant antidilution provisions of the contract.

GlobalWafers redeemed the first unsecure oversea convertible bonds of US$248,200 thousand and US$651,000 thousand, respectively, during the years period ended December 31, 2024 and 2023, resulting in the invalid conversion right of $422,801 thousand and $1,108,959 thousand to be reclassified from capital surplus – share options to capital surplus – others.

As of December 31, 2024, the above-mentioned unsecured convertible bonds had been fully redeemed.

C. GlobalWafers' 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, GlobalWafers separated the warrant, 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". Financial liabilities at fair value through profit or loss (FVTPL) as of December 31, 2024 are summarized below:

The details of the GlobalWafers' exchangeable bonds with warrants are as follows:

| | December 31, 2024 |
|---|---|
| Total exchangeable bonds with warrants | $ 11,785,128 |
| Unamortized discount | (1,528,424) |
| Total exchangeable bonds with warrants period-end | **$ 10,256,704** |
| Embedded derivatives options, included in financial liabilities at fair value through profit or loss | **$ 404,230** |

| | | For the years ended December 31, 2024 |
|---|---|---|
| Embedded derivatives - gain and losses of re-measurement of options based on fair value (recorded under other gains and losses) | $ | 1,384,407 |
| Interest expense | $ | 498,974 |

The principal terms of the above exchangeable bonds with warrants are set out below:

(a) Total amount issued: EUR 345,200 thousand (EUR 100 thousand per sheet).

(b) Issue period: five years

(c) Maturity date: January 23, 2029

(d) Important terms and conditions:

i After three years from the issuance date, holders of exchangeable bonds with warrants may exercise the put right to sell back the bonds at par value.

ii Warrants are to be exercised for 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 of Siltronic AG. The exercise price was EUR 111.34 per share as of December 31, 2024. The warrants are exercisable immediately from the date of issuance of the exchangeable bonds with warrants.

iii GlobalWafers is the guarantor of the exchangeable bonds with warrants.

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.

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

| | | December 31, 2024 |
|---|---|---|
| Unsecured convertible bonds－Actron | $ | 799,900 |
| Less: unamortised discount | | (23,642) |
| Total | $ | 776,258 |

On August 9, 2023, Actron issued 8 thousand NTD-denominated unsecured convertible 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 amount 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 bonds apply for conversion to the ordinary shares of Actron or the Actron repurchases the convertible bonds from securities agents for cancellation, Actron will repay the convertible 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 issuance of the convertible bonds (November 10, 2023) to the maturity date (August 9, 2026), the bondholders may request Actron to convert the convertible 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 December 31, 2024 and December 31, 2023 were both NT$208 per share. When there is a conversion price adjustment in accordance with the terms and conditions, such adjustment will be made by Actron based on a formula in accordance with the terms of issuance.

The conversion price of these convertible bonds was determined based on August 1, 2023, as the base date for setting the conversion price. The base price was selected as the simple arithmetic average of the closing prices of Actron's common stock on the trading day before the base date (exclusive), the three trading days before the base date, and the five trading days before the base date. The conversion premium of 115.7% was then applied to the base price to calculate the conversion price (rounded to the nearest tenth of a New Taiwan Dollar).If there were any ex-rights or ex-dividends before the base date, the closing prices used for calculating the conversion price should be adjusted to reflect the ex-rights or ex-dividends. If there were any ex-rights or ex-dividends between the determination of the conversion price and the actual issuance date, the conversion price should be adjusted according to the conversion price adjustment formula. Based on the above method, the conversion price at the time of issuance was set at NT$210 per share.

Due to Actron's issuance of new common shares, the conversion price of the first domestic unsecured convertible bonds was adjusted from NT$210 to NT$208 per share, effective from September 25, 2023, in accordance with the regulations governing the issuance and conversion of the first domestic unsecured convertible bonds.

The convertible bonds included liability and equity components. The equity components are reported as capital surplus - share options. The effective interest rate initially recognized for the liability components was 1.8659%.

| | | |
|---|---|---|
| Proceeds from issuance (less the transaction cost and the adjustments related to income tax effects) | $ | 800,740 |
| Equity components (less the transaction cost allocated to equity and the adjustments related to income tax effects) | | (43,937) |
| Deferred tax assets | | 36 |
| Liability components on the issuance date (less the transaction cost allocated to liabilities) | | 756,839 |
| Interest calculated based on effective interest rate of 1.8659% | | 5,296 |
| Conversion into ordinary shares | | (96) |
| Components of liabilities as of December 31, 2023 | | 762,039 |
| Interest calculated based on effective interest rate of 1.8659% | | 14,219 |
| Components of liabilities as of December 31, 2024 | $ | 776,258 |

(18) Lease liabilities

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

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current | $ 161,756 | 199,210 |
| Non-current | $ 1,192,943 | 1,264,422 |

For the maturity analysis, please refer to note 6(29) “Financial instruments”.

The amounts recognized in profit or loss were as follows:

| | For the years ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Interest on lease liabilities | $ 25,832 | 21,388 |
| Variable lease payments not included in the measurement of lease liabilities | $ 9,738 | 9,343 |
| Expenses relating to short-term leases | $ 41,794 | 25,014 |
| Expenses relating to leases of low value assets, excluding short term leases of low value assets | $ 17,416 | 10,743 |

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

| | For the years ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Total cash outflow for leases | $ 301,141 | 266,503 |

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.

Additional rent payments of land leases are calculated based on changes in local price indices and the public facilities construction costs re invested annually in each science park. Incremental payment 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.

(19) 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 | $ 60,580 | 3,299,865 | 135,537 | 3,495,982 |
| Provisions made during the year | 10,209 | - | 15,500 | 25,709 |
| Provisions reversed during the year | (9,208) | (387,304) | (4,614) | (401,126) |
| Reclassification | - | - | (12,287) | (12,287) |
| Effect of changes in exchange rates | 1,029 | - | 1,102 | 2,131 |
| Balance of December 31, 2024 | **$ 62,610** | **2,912,561** | **135,238** | **3,110,409** |
| Current | $ 19,047 | 270,721 | 7,138 | 296,906 |
| Non-current | 43,563 | 2,641,840 | 128,100 | 2,813,503 |
| Total | **$ 62,610** | **2,912,561** | **135,238** | **3,110,409** |
| Balance of January 1, 2023 | $ 59,888 | 3,583,065 | 121,055 | 3,764,008 |
| Provisions made during the year | 9,938 | - | 22,338 | 32,276 |
| Provisions reversed during the year | (7,496) | (283,200) | (12,012) | (302,708) |
| Effect of changes in exchange rates | (1,750) | - | 4,156 | 2,406 |
| Balance of December 31, 2023 | **$ 60,580** | **3,299,865** | **135,537** | **3,495,982** |
| Current | $ 15,109 | 270,719 | 7,299 | 293,127 |
| Non-current | 45,471 | 3,029,146 | 128,238 | 3,202,855 |
| Total | **$ 60,580** | **3,299,865** | **135,537** | **3,495,982** |

A. Site restoration

Under the lease contract, if the Group does not intend to extend its leasehold, the Group needs to restore the plants. The Group estimates the provision based on the lease terms and in accordance with the Group's published environmental policy and applicable legal requirements. A provision for site restoration is made in respect of environmental cleanup costs.

B. Onerous contract

The Group entered into several non-cancellable long-term material supply agreements with the suppliers of silicon materials. The Group agrees to purchase the required quantity of raw materials on schedule based on the contractual price during the commitment periods and makes a non-refundable prepayment to the suppliers. The suppliers need to deliver the required quantity of raw materials to the Group according to the contract. Provisions for the onerous contracts were made based on contractual terms and subsequently reversed the relevant gains and losses according to the performance of the contract, and were recognized as operating costs. For the related agreement, please refer to note 9.

(20) Employee benefits

A. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value was as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Total present value of obligations | $ (3,512,468) | (3,704,846) |
| Fair value of plan assets | 2,000,321 | 2,095,945 |
| Recognized liabilities for defined benefit obligations | **$ (1,512,147)** | **(1,608,901)** |

The details of the account are as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Net defined benefit liabilities | **$ (1,508,209)** | **(1,608,901)** |

The plans entitle a retired employee to receive a pension benefit based on years of service prior to retirement.

(a) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations of the Group for the years ended December 31, 2024 and 2023 were as follows:

| | | 2024 | 2023 |
|---|---|---|---|
| Defined benefit obligations at January 1 | $ | 3,704,846 | 5,160,899 |
| Past service costs | | 26,101 | - |
| Current service costs and interest cost | | 350,326 | 5,406 |
| Remeasurements for defined benefit obligations | | | |
| —Actuarial gains and losses arising from experience adjustments | | 45,323 | 25,658 |
| —Actuarial gains and losses resulting from changes in demographic adjustments | | (52) | (84,151) |
| —Actuarial gains and losses resulting from changes in financial adjustments | | 7,680 | 77,089 |
| Benefits paid | | - | (1,764,794) |
| Reclassification | | - | (24,566) |
| Actuarial Profit (Loss) | | - | (53,461) |
| Benefits paid | | (547,083) | - |
| Effects of changes in exchange rates | | (93,308) | - |
| Settlement gain (loss) | | 18,635 | 362,766 |
| Defined benefit obligations at December 31 | **$** | **3,512,468** | **3,704,846** |

(b) Movements in the fair value of the plan assets

The movements in the fair value of the defined benefit plan assets of the Group for the years ended December 31, 2024 and 2023 were as follows:

| | | 2024 | 2023 |
|---|---|---|---|
| Fair value of plan assets at January 1 | $ | 2,095,945 | 3,621,840 |
| Interest income | | 77,518 | 87,088 |
| Remeasurements for defined benefit obligations | | | |
| —Return on plan asset (excluding current interest) | | 29,625 | 6,794 |
| Contributions made | | 235,595 | 380,677 |
| Benefits paid | | (364,868) | (1,697,913) |
| Reclassification | | - | (529,409) |
| Effect of changes in exchange rates | | (89,174) | 226,868 |
| Settlement gain (loss) | | 15,680 | - |
| Fair value of plan assets at December 31 | **$** | **2,000,321** | **2,095,945** |

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

Under the employee defined benefit plans of the Group's subsidiary in Korea, the plan assets comprised of time deposits bearing annual interest rates ranging from 1.74%~2.2%.

In Italy, the Group's subsidiary contributes an amount to the National Social Security Pension Fund (INPS) for the employee defined benefit plan.

Under the employee defined benefit plans of the entities located in the United States, plan assets are comprised of trust funds with different grades of risks and returns. Plan asset portfolio consists of a variety of financial instruments including cash, equity securities, and income funds.

(c) Changes in the effect of the asset ceiling

As of December 31, 2024 and 2023, there was no effect of the asset ceiling.

(d) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

| | 2024 | 2023 |
|---|---|---|
| Current service costs | $ 258,930 | 267,273 |
| Net interest of defined benefit obligation | 16,833 | 8,405 |
| Past service credit | 26,101 | 5,406 |
| | **$ 301,864** | **281,084** |

| | 2024 | 2023 |
|---|---|---|
| Operating Costs | $ 271,804 | 254,461 |
| Selling expenses | 13,444 | 11,068 |
| Administrative expenses | 8,008 | 7,573 |
| Research and development expenses | 8,608 | 7,982 |
| | **$ 301,864** | **281,084** |

(e) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Discount rate | 1.07%~5.08% | 0.88%~5.53% |
| Future salary increase rate | 2%~5.6% | 2%~5.6% |

The estimated amount of contribution to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $244,181 thousand.

The weighted-average durations of the defined benefit obligation are 8.9 years to 9.6 years.

(f) Sensitivity analysis

When the actuarial assumptions had changed 0.25% as of the December 31, 2024 and 2023, the impact on the present value of the defined benefit obligation would be as follows:

| | Impact on defined benefit obligations | |
|---|---|---|
| **Actuarial assumptions** | **Increased by 0.25%** | **Decreased by 0.25%** |
| December 31, 2024 | | |
| Discount rate | $ (65,640) | 70,613 |
| Future salary increase rate | $ 49,768 | (45,866) |
| December 31, 2023 | | |
| Discount rate | $ (68,065) | 72,807 |
| Future salary increase rate | $ 48,857 | (45,256) |

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, assuming other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in previous periods. There was no change in the method and assumptions used in the preparation of sensitivity analysis for the years ended December 31, 2024 and 2023.

B. Defined contribution plans

The Group contributes at the rate of 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group's contribution to the Bureau of Labor Insurance requires no additional legal or constructive obligations thereafter.

The Company's domestic subsidiaries' pension costs incurred from contributions to the defined contribution plan were $204,175 thousand and $130,625 thousand for the years ended December 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 $321,452 thousand and $389,296 thousand for its overseas subsidiaries for the years ended December 31, 2024 and 2023, respectively.

(21) Income tax

A. Income tax expense

The components of income tax expenses were as follows:

| | For the years ended December 31, 2024 | 2023 |
|---|---|---|
| Current tax expense | $ 2,975,140 | 5,450,170 |
| Deferred tax expense | 147,690 | 1,320,330 |
| Income tax expense | **$ 3,122,830** | **6,770,500** |

The amounts of income tax (benefit) recognized in other comprehensive income were as follows:

| | For the years ended December 31, 2024 | 2023 |
|---|---|---|
| Items that will not reclassified subsequently to profit or loss: | | |
| Remeasurement from defined benefit obligations | $ 220 | 101,461 |
| Value relevance of equity instrument measured at fair value through other comprehensive income | 2,743 | (42,638) |
| | **$ 2,963** | **58,823** |
| Items that may be reclassified Subsequently to profit or loss: | | |
| Exchange differences on translation of foreign financial statements | **$ (250,078)** | **(319,692)** |

Reconciliations of income tax and income before income tax for 2024 and 2023 are as follows:

| | For the years ended December 31, 2024 | 2023 |
|---|---|---|
| Income before income tax | $ 14,732,313 | 24,549,412 |
| Income tax using the Grop's domestic tax rate | 2,946,463 | 4,909,882 |
| Effect of tax rates in foreign jurisdiction | 792,878 | 2,792,704 |
| Tax effect of permanent differences | 155,444 | (874,778) |
| Investment tax credits | (223,261) | (176,289) |
| Unrecognized deferred tax and others | (962,391) | 118,981 |
| Additional tax on undistributed earnings | 413,697 | - |
| Income tax expense | **$ 3,122,830** | **6,770,500** |

B. Deferred tax assets and liabilities

(a) Unrecognized deferred tax assets

The deferred tax assets have not been recognized in respect of the following items:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Tax effect of deductible temporary differences (including carryforward of unused tax losses) | $ 3,751,250 | 2,729,448 |

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2024 and 2023, the unused tax losses for the overseas subsidiaries of the Group that were not recognized as deferred tax assets was $1,176,329 thousand.

(b) Deferred tax liabilities have not been recognized with respect of the following items:

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as at December 31, 2024 and 2023. Also, the management considers it is probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized as deferred tax liabilities. The amount were us follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Aggregate amount of temporary differences related to investments in subsidiaries | $ (4,649,556) | (4,081,811) |

(c) Recognized deferred tax assets and liabilities

Deferred tax assets:

| | January 1, 2024 | Recognized in profit or loss | Recognized in other comprehensive income | Effect of changes in exchange rates | Acquisition of subsidiaries | December 31, 2024 |
|---|---|---|---|---|---|---|
| Assets: | | | | | | |
| Allowance for inventory valuation | $ 360,478 | 3,848 | - | (5,122) | - | 359,204 |
| Defined benefit obligations | 200,581 | (28,183) | 9,219 | (2,335) | - | 179,282 |
| Investment loss from subsidiaries using equity method | 10,009 | - | - | - | - | 10,009 |
| Expected credit loss of accounts receivable | 138,940 | (24,377) | - | 12,829 | - | 127,392 |
| Depreciation differences of property, plant and equipment | 956,706 | 96,394 | - | (56,664) | - | 996,436 |
| Accrued expense taxation difference | 239,509 | 80,420 | - | 8,864 | - | 328,793 |
| Unrealized gross profit | 292,208 | (48,855) | - | (108) | - | 243,245 |
| Loss deductions | 838,503 | 262,710 | - | (504,091) | - | 597,122 |
| Others | 615,165 | 237,593 | (94,444) | 464,482 | 1,907 | 1,224,703 |
| | **$ 3,652,099** | **579,550** | **(85,225)** | **(82,145)** | **1,907** | **4,066,186** |
| Liabilities: | | | | | | |
| Investment profit from subsidiaries using equity method | $ (3,863,490) | (483,347) | (163,656) | 15,216 | - | (4,495,277) |
| Depreciation differences of property, plant and equipment and others | (2,171,233) | (243,893) | 1,766 | (1,052) | - | (2,414,412) |
| | **$ (6,034,723)** | **(727,240)** | **(161,890)** | **14,164** | **-** | **(6,909,689)** |

| | January 1, 2023 | Recognized in profit or loss | Recognized in other comprehensive income | Effect of changes in exchange rates | Acquisition of subsidiaries | December 31, 2023 |
|---|---|---|---|---|---|---|
| Assets: | | | | | | |
| Allowance for inventory valuation | $ 272,801 | 77,991 | - | (287) | 9,973 | 360,478 |
| Defined benefit obligations | 255,279 | (47,998) | 975 | (7,675) | - | 200,581 |
| Investment loss from subsidiaries using equity method | 10,009 | - | - | - | - | 10,009 |
| Expected credit loss of accounts receivable | 135,912 | (3,129) | - | 5,149 | 1,008 | 138,940 |
| Depreciation life differences of property, plant and equipment | 828,980 | 151,555 | - | (23,829) | - | 956,706 |
| Accrued expense taxation difference | 276,614 | (7,912) | - | (29,193) | - | 239,509 |
| Unrealized gross profit | 239,244 | 52,735 | - | 229 | - | 292,208 |
| Loss deductions | 30,011 | 411,249 | - | 44 | 397,199 | 838,503 |
| Others | 650,646 | (181,487) | 86,289 | 23,792 | 35,925 | 615,165 |
| | **$ 2,699,496** | **453,004** | **87,264** | **(31,770)** | **444,105** | **3,652,099** |

| | January 1, 2023 | Recognized in profit or loss | Recognized in other comprehensive income | Effect of changes in exchange rates | Acquisition of subsidiaries | December 31, 2023 |
|---|---|---|---|---|---|---|
| Liabilities: | | | | | | |
| Investment profit from subsidiaries using equity method | $ (2,249,590) | (1,790,252) | 191,568 | - | (15,216) | (3,863,490) |
| Depreciation differences of property, plant and equipment and others | (2,364,296) | 16,918 | (17,963) | 198,817 | (4,709) | (2,171,233) |
| | **$ (4,613,886)** | **(1,773,334)** | **173,605** | **198,817** | **(19,925)** | **(6,034,723)** |

C. Assessment of tax filings

As of December 31, 2024, income tax returns of Sino-American Silicon Products Inc. for the years through 2022 were assessed by the tax authority.

The operations of the Group encompass tax matters in multiple countries. The tax treatment of each country shall be determined by the country in which the operation is situated. The taxes laws of each country shall prevail, and all declarations shall be made on time in accordance with the regulations of the country where they are located. There may be adjustments arising from tax inspections conducted by various regions, and the Group has taken appropriate measures to address these matters.

D. Global minimum top-up tax

The Group operates in Europe, Japan, Korea and Malaysia, which have enacted new legislation to implement the global minimum top-up tax. The Group expects to be subject to the top-up tax in relation to its operations in Korea, where the subsidiary in Korea receives government support through additional tax deductions that reduce its effective tax rate to below 15%. The newly enacted tax legislation in Korea is effective from January 1, 2024, the current tax impact had been estimated for the years ended December 31, 2024.

(22) Capital and other equity

As of December 31, 2024 and 2023, the authorized ordinary shares of Sino-American Silicon Products Inc. amounted to $10,000,000 thousand, which was divided into 1,000,000 thousand shares, with a par value of $10 per share, of which $200,000 thousand was reserved for employee stock options, convertible preferred stock, and convertible bonds; the issued and outstanding ordinary shares amounted to $6,412,217 thousand and $5,862,717 thousand, respectively.

The reconciliation of shares outstanding for the years ended December 31, 2024 and 2023 was as follows (in thousands of shares):

| | Common stock | |
|---|---|---|
| | **2024** | **2023** |
| Closing balance at beginning of January 1 | 586,222 | 586,222 |
| Capital increase by cash | 55,000 | - |
| Closing balance at December 31 | **641,222** | **586,222** |

A. Issuance of common stock

On August 27, 2024, the Board of Directors resolved to issue 55,000 thousand shares of Global Depository Receipts (GDRs), with September 26, 2024, as the capital increase base date. All issued share funds totaling NT$8,962,995 thousand have been received. The relevant legal registration procedures have been completed.

B. Capital surplus

The balances of capital surplus were as follows:

| | **December 31, 2024** | **December 31, 2023** |
|---|---|---|
| Additional paid in capital | $ 15,608,208 | 7,195,673 |
| Difference between the consideration and the carrying amount of subsidiaries' and associates' share acquired or disposed | 1,446,590 | 1,447,251 |
| Capital surplus recognized under the equity method | 14,835,394 | 7,670,021 |
| Treasury stock transactions | 172,064 | 33,314 |
| Employee stock options and others | 609,510 | 608,952 |
| | **$ 32,671,766** | **16,955,211** |

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, the Board resolution is to 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.

C. Legal reserve

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

D. Special reserve

When the Company adopted the International Financial Reporting Standards (IFRSs) approved by the FSC for the first time, the Company had chosen to apply IFRS 1 "First time Adoption of the IFRSs" exemptions. Retained earnings was increased by $161,317 thousand due to the adjustment of accumulated translation adjustment under the sharehold's equity, which exceeded the net increase of $102,349 thousand in retained earnings on the conversion date for the first time adoption of IFRSs approved by the FSC. In accordance with Regulatory Permit issue by the FSC on April 6, 2012 a special reserve is appropriated from retained earnings based on the net increase of retained earnings to set aside an additional special reserve, as part of the distribution of its annual earnings, equal to the difference between the amount of the above mentioned special reserve and the net debit balance of other components of the stockholders' equity. The only distributable special reserve is the portion that exceeds the net debit balance of the other components of the shareholders' equuity. The carrying amount of special reserve amounted to $102,349 thousand as of December 31, 2024 and 2023.

According to the rule referred to above, while distributing the distributable earnings, the Company had additional special reserve appropriated from the current year net income and unappropriated earnings of the prior period for the difference between the net amount debited to other shareholder's equity and the balance of the special reserve appropriated in the preceding paragraph. For the amount debited to other shareholders' equity attributable to prior period accumulation, the special reserve was appropriated from the unappropriated earnings of the prior period and could not be distributed The amount debited to the shareholders' equity reversed subsequently can be distributed as earnings.

E. Earnings distribution and dividend policy

The proposal of earnings 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, it is to be submitted to the Board of Directors for approval.

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

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

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

On December 13, 2024, the Company's Board of Directors resolved to distribute the first half of 2024 earnings. The earnings were apporiated as follows:

| | 2023 | |
|---|---|---|
| | **Dividends per share (NT dollar)** | **Amount** |
| Dividends distributed to ordinary shareholders: | | |
| Appropriation of the first half of earnings | $ 3.00 | 1,923,665 |
| Appropriation of the annual earnings | 3.50 | 2,244,276 |
| Total | **$ 6.50** | **4,167,941** |

On May 10, 2024, and December 15, 2023 the Board of Directors resolved to distribute for the first half and second half of 2023 earnings, respectively. 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 apporiated as follows:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | **Dividends per share (NT dollar)** | **Amount** | **Dividends per share (NT dollar)** | **Amount** |
| Dividends distributed to ordinary shareholders: | | | | |
| Appropriation of the first half of earnings | $ 3.50 | 2,051,776 | 2.37 | 1,389,345 |
| Appropriation of the annual earnings | 5.30 | 3,106,975 | 5.80 | 3,400,086 |
| Total | $ **8.80** | **5,158,751** | **8.17** | **4,789,431** |

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 Market Observation Post System.

F. Treasury shares

Hongwang and Actron acquired 25,050 thousand and 2,000 thousand shares of the Company, respectively, based on their investment strategies. On October 2, 2023, the Group obtained control over Actron, therefore, the Company directly and indirectly holds more than half of the shares of Hongwang. The Company allocated or reversed special reserve in accordance with Financial Supervisory Commission with approval No. 1090150022. Therefore, the Company recognized treasury stocks amounting to NT$4,382,100 thousand which was measured at the market price of NT$162 per share on October 2, 2023. On December 31, 2024, the market price of the Company was NT$134.5 per share, while Hongwang and Actron owned 27,050 thousand shares of the Company.

(23) Share-based payment

A. The effective share-based payment agreement of MVI is as follows:

| **Type of agreement** | **Grant date** | **Fair value (NT$)** | **Grant quantity** | **Contract period** | **Vesting condition** |
|---|---|---|---|---|---|
| Restricted share plan (Note1) | December 11, 2023 | $ 34.65 | 1,000 thousand shares | 3 years | (Note 2) |
| Restricted share plan (Note1) | June 12, 2024 | 32.25 | 295 thousand shares | 3 years | (Note 2) |

Note 1: Restricted shares issued by MVI 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, MVI will buy 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 MVI' s performance conditions, MVI will buy back the unvested shares from the employee at the issue price in the current year.

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

Number of shares (in thousands)

| | For the years ended December 31, 2024 |
|---|---|
| Beginning balance | 1,000 |
| Current grant | 295 |
| Received for the period | (60) |
| Vested for the period | (300) |
| Ending balance | **935** |

(24) Earnings per Share

A. Basic earnings per share

| | For the years ended December 31, 2024 | 2023 |
|---|---|---|
| Net income attributable to the shareholders of the Company | $ **5,346,259** | **9,843,820** |
| Weighted average number of ordinary shares outstanding (in thousands of shares) | 586,222 | 586,222 |
| Effect of treasury stock | (27,050) | (6,763) |
| Effect of issuing shares | - | - |
| Effect of issuing shares through capital increase by cash | 19,471 | - |
| Weighted average number of ordinary shares outstanding (in thousands of shares) | **578,643** | **579,459** |
| Basic earnings per share (NT dollar) | $ **9.24** | **16.99** |

B. Diluted earnings per share

| | | For the years ended December 31, | |
|---|---|---|---|
| | | **2024** | **2023** |
| Net income attributable to the shareholders of the Company (diluted) | $ | **5,346,259** | **9,843,820** |
| Weighted average number of ordinary shares outstanding (in thousands of shares) (basic) | | 578,643 | 579,459 |
| Effect of dilutive potential ordinary shares (in thousand of shares) | | 1,744 | 3,533 |
| Weighted average number of ordinary shares outstanding (in thousands of shares) (diluted) | | **580,387** | **582,992** |
| Diluted earnings per share (NT dollar) | $ | **9.21** | **16.89** |

(25) Revenue from contracts with customers

A. Details of revenues

| | | For the years ended December 31, | |
|---|---|---|---|
| | | **2024** | **2023** |
| Primary geographical market: | | | |
| Taiwan | $ | 17,078,396 | 17,161,045 |
| Northeast Asia (Japan and Korea) | | 16,347,266 | 17,977,332 |
| Asia-other | | 16,690,136 | 18,395,521 |
| America | | 11,728,630 | 11,155,405 |
| Europe | | 16,294,565 | 15,958,524 |
| Other areas | | 1,539,554 | 1,318,125 |
| | $ | **79,678,547** | **81,965,952** |
| Major Product Categories: | | | |
| Renewable energy | $ | 3,493,863 | 7,609,418 |
| Semiconductor wafers | | 64,950,254 | 71,373,514 |
| Semiconductor ingot | | 1,374,987 | 1,270,087 |
| Automotive components | | 7,582,182 | 1,354,332 |
| Others | | 2,277,261 | 358,601 |
| | $ | **79,678,547** | **81,965,952** |

B. Contract balances

| | December 31, 2024 | December 31, 2023 | January 1, 2023 |
|---|---|---|---|
| Notes and accounts receivable (including related parties) | $ 12,591,633 | 12,228,049 | 11,332,961 |
| Contract liabilities | $ 31,690,825 | 35,464,270 | 39,561,054 |

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. Please refer to note 9 for guarantee letters issued for the customer. The amount of revenue recognized for the years ended December 31, 2024 and 2023, which was included in the contract liability balance at the beginning of the period, was $6,106,506 thousand and $6,120,699 thousand, respectively.

(26) 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 to qualified employees；and the Board of Directors decides to accrue up to 3% of the above profit as directors' remuneration. The distribution of remuneration of employees and directors should be submitted and reported to the shareholders' meeting. In case the Company has an accumulated loss, it should reserve amounts to make up the losses prior to distributing remuneration to the employees and directors pursuant to the percentage mentioned in the preceding paragraph.

For the years ended December 31, 2024 and 2023, the Company accrued and recognized its employee remuneration amounting to $215,360 thousand and $550,000 thousand and directors remuneration amounting to $21,500 thousand and $55,000 thousand, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution ratio of the remuneration to employees and directors based on the Company's Articles of Incorporation, and expensed under operating costs or expenses. If, however, the shareholders determine that the employee remuneration is to be distributed through issuance of shares, the calculation of distributable shares shall be calculated using the stock price on the day before a resolution was made by the Board of Directors. If there would be any changes in accounting estimates the changes shall be accounted for as profit or loss in the following year.

The amounts as stated in the 2024 and 2023 consolidated financial statements were not significantly different from those approved in the Board of Directors meetings. The information is available on the Market Observation Post System website.

(27) Interest income and financial costs

A. Financial costs

| | | For the years ended December 31, | |
|---|---|---|---|
| | | **2024** | **2023** |
| Interest income from bank deposits | $ | 3,338,263 | 3,311,884 |
| Interest income from financial assets measured at amortized cost | | 204,480 | 2,730 |
| | **$** | **3,542,743** | **3,314,614** |

B. Financial costs

| | | For the years ended December 31, | |
|---|---|---|---|
| | | **2024** | **2023** |
| Interest expense－borrowings | $ | (699,295) | (489,996) |
| Interest expense－bonds | | (373,650) | (281,499) |
| Interest expense－lease liabilities | | (25,832) | (21,388) |
| | **$** | **(1,098,777)** | **(792,883)** |

(28) Other gains and losses

| | | For the years ended December 31, | |
|---|---|---|---|
| | | **2024** | **2023** |
| Foreign exchange gains, net | $ | 256,603 | 235,037 |
| Valuation gains (losses) on financial assets (liabilities) measured at fair value through profit or loss | | (4,663,469) | 2,995,004 |
| Gain on disposal of property, plant and equipment | | 61,263 | 131,941 |
| Dividend income | | 191,661 | 449,104 |
| Gain on disposal of property, plant and equipment | | - | 2,149,169 |
| Reversal of impairment loss (Impairment loss) | | 26,346 | (2,763,245) |
| Others | | 213,642 | 7,433 |
| | **$** | **(3,913,954)** | **3,204,443** |

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

| | For the years ended December 31, 2024 | 2023 |
|---|---|---|
| Exchange differences on translation of foreign operations | $ - | 158 |
| Unrealized gains (losses) on financial assets at fair value through other comprehensive income | - | 31,580 |
| | **$ -** | **31,738** |

(30) Financial instruments

A. Credit risk

(a) Credit risk exposure

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

(b) Concentration of credit risk

The main customers of the Group are from the renewable 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 renewable energy, semiconductor and automotive components industries. As of December 31, 2024 and 2023, 37% and 41%, respectively, of the Group's accounts receivable (including related parties) were from the top 10 customers. Although there is a potential for concentration of credit risk, the Group routinely assesses the collectability of the accounts receivable and makes a corresponding allowance for doubtful accounts.

(c) Credit risks of receivables and debt securities

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

B. Liquidity risk

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

| | Carrying amount | Contractual cash flows | Within 6 months | 6-12 months | 1-2 years | 2-5 years or more | Over 5 years |
|---|---|---|---|---|---|---|---|
| **December 31, 2024** | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Short-term borrowings | $ 28,863,280 | (29,000,570) | (27,029,804) | (1,970,766) | - | - | - |
| Short-term notes and bills payable | 3,999,248 | (4,001,293) | (4,001,293) | - | - | - | - |
| Notes and accounts payable (including related parties) | 6,069,284 | (6,069,284) | (6,049,464) | (19,820) | - | - | - |
| Long-term borrowings (including current portion) | 17,407,288 | (18,825,968) | (1,316,308) | (1,207,743) | (12,582,110) | (3,719,807) | - |
| Lease liabilities - current and non-current | 1,354,699 | (1,535,128) | (96,942) | (88,337) | (167,087) | (345,713) | (837,049) |
| Bonds payable (including current portion) | 16,890,669 | (17,384,150) | (126,550) | (32,400) | (12,058,950) | (2,578,750) | (2,587,500) |
| Convertible bonds | 776,258 | (799,900) | - | - | - | (799,900) | - |
| Dividends payable | 3,199,272 | (3,199,272) | (3,199,272) | - | - | - | - |
| Accrued remuneration of directors (other current liabilities) | 120,639 | (120,639) | (56,263) | (64,376) | - | - | - |
| Payroll and bonus payable | 4,737,526 | (4,737,526) | (3,469,933) | (1,267,593) | - | - | - |
| Exchangeable bonds with warrants | 10,256,704 | (13,313,552) | (176,887) | (179,938) | (369,238) | (12,587,489) | - |
| Derivative financial | | | | | | | |
| Forward exchange contracts: | | | | | | | |
| Outflows | 94,142 | (1,643,967) | (753,898) | (890,069) | - | - | - |
| Inflows | (28,751) | 1,578,576 | 659,756 | 918,820 | - | - | - |
| | **$ 93,740,258** | **(99,052,673)** | **(45,616,858)** | **(4,802,222)** | **(25,177,385)** | **(20,031,659)** | **(3,424,549)** |

| | Carrying amount | Contractual cash flows | Within 6 months | 6-12 months | 1-2 years | 2-5 years or more | Over 5 years |
|---|---|---|---|---|---|---|---|
| **December 31, 2023** | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Short-term borrowings | $ 31,811,162 | (31,948,238) | (31,948,238) | - | - | - | - |
| Notes and accounts payable (including related parties) | 5,958,638 | (5,958,638) | (5,553,165) | (403,462) | (2,011) | - | - |
| Long-term borrowings (including current portion) | 6,384,827 | (6,664,187) | (709,636) | (1,223,005) | (2,568,790) | (1,531,482) | (631,274) |
| Lease liabilities - current and non-current | 1,464,632 | (1,522,206) | (118,793) | (102,825) | (156,658) | (348,761) | (795,169) |
| Bonds payable (including current portion) | 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 (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 | | | | | | | |
| Forward exchange contracts: | | | | | | | |
| Outflows | - | (657,024) | (657,024) | - | - | - | - |
| Inflows | 9,706 | 666,730 | 666,730 | - | - | - | - |
| | **$ 81,269,405** | **(82,180,954)** | **(54,366,930)** | **(8,972,442)** | **(2,800,159)** | **(14,614,980)** | **(1,426,443)** |

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

C. Currency risk

(a) Exposure to foreign currency risk

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

| | December 31, 2024 | | |
|---|---|---|---|
| | Foreign currency | Exchange rate | NTD |
| Financial assets | | | |
| Monetary Items | | | |
| USD | $ 705,830 | 32.785 | 23,140,637 |
| JPY | 11,590,529 | 0.2099 | 2,432,852 |
| EUR | 203,021 | 34.14 | 6,931,137 |
| CNY | 79,768 | 4.478 | 357,201 |
| Non-monetary items | | | |
| USD | 12,048 | 32.785 | Note |

| | December 31, 2024 | | |
|---|---|---|---|
| | **Foreign currency** | **Exchange rate** | **NTD** |
| Financial liabilities | | | |
| Monetary Items | | | |
| USD | 402,477 | 32.785 | 13,195,208 |
| JPY | 14,282,181 | 0.2099 | 2,997,830 |
| EUR | 115,997 | 34.14 | 3,960,138 |
| CNY | 33,145 | 4.478 | 148,423 |
| Non-monetary items | | | |
| USD | 227,000 | 32.785 | Note |

| | December 31, 2023 | | |
|---|---|---|---|
| | **Foreign currency** | **Exchange rate** | **NTD** |
| Financial assets | | | |
| Monetary Items | | | |
| USD | $ 547,074 | 30.705 | 16,797,907 |
| JPY | 13,938,825 | 0.2172 | 3,027,513 |
| EUR | 195,425 | 33.98 | 6,640,544 |
| CNY | 55,719 | 4.327 | 241,096 |
| Non-monetary items | | | |
| USD | 18,850 | 30.705 | Note |
| Financial liabilities | | | |
| Monetary Items | | | |
| USD | 443,356 | 30.705 | 13,613,246 |
| JPY | 15,301,304 | 0.2172 | 3,323,443 |
| EUR | 59,218 | 33.98 | 2,012,228 |
| CNY | 51,989 | 4.327 | 224,956 |
| Non-monetary items | | | |
| USD | 2,200 | 30.705 | Note |

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

(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, long and short-term loans, and notes and accounts payables that are denominated in foreign currency. A weakening (strengthening) of 1% of the NTD against the USD, JPY, EUR and CNY as of December 31, 2024 and 2023, would have increased or decreased the net income before income tax by $125,602 thousand and increased or decreased by $75,332 thousand for the years ended December 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 (losses) on monetary items is disclosed by an aggregate amount. For the years ended December 31, 2024 and 2023, foreign exchange gains (including realized and unrealized portions) amounted to $256,603 thousand and $235,037 thousand, respectively.

D. Interest rate analysis

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

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

If the interest rate had increased or decreased by 0.25%, the Group's net income before income tax would have decreased or increased by $70,595 thousand and increased or decreased $52,115 thousand, for the years ended December 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 years ended December 31, | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| **Prices of securities at the reporting date** | **Other comprehensive income before tax** | **Net income** | **Other comprehensive income before tax** | **Net income** |
| Increasing 5% | $ 57,253 | 325,615 | 173,243 | 616,332 |
| Decreasing 5% | (57,253) | (325,615) | (173,243) | (616,332) |

F. Fair value of financial instruments

(a) Fair value hierarchy

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

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets at fair value through profit or loss - current** | | | | | |
| Foward exchange contract | **$ 28,751** | **-** | **28,751** | **-** | **28,751** |
| **Financial assets at fair value through profit or loss - non-current** | | | | | |
| Privately offered fund | $ 254,686 | - | - | 254,686 | 254,686 |
| Overseas securities held | 6,512,300 | 6,512,300 | - | - | 6,512,300 |
| Subtotal | **$ 6,766,986** | **6,512,300** | **-** | **254,686** | **6,766,986** |
| **Financial assets at fair value through other comprehensive income** | | | | | |
| Domestic and international listed (OTC) stocks | 428,308 | 428,308 | - | - | 428,308 |
| Overseas securities held | 716,745 | 716,745 | - | - | 716,745 |
| Subtotal | **$ 1,145,053** | **1,145,053** | **-** | **-** | **1,145,053** |
| **Financial assets measured at amortized cost** | | | | | |
| Cash and cash equivalents | $ 54,136,770 | - | - | - | - |
| Notes and accounts receivable (including related parties) | 12,591,633 | - | - | - | - |
| Other financial assets - current and non-current | 19,578,258 | - | - | - | - |
| Subtotal | **$ 86,306,661** | **-** | **-** | **-** | **-** |
| **Financial liabilities at fair value through profit or loss** | | | | | |
| Forward exchange contract | $ 94,142 | - | 94,142 | - | 94,142 |
| Embedded derivatives of convertible bonds | 404,230 | - | 404,230 | - | 404,230 |
| Subtotal | **$ 498,372** | **-** | **498,372** | **-** | **498,372** |

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| **Financial liabilities measured at amortized cost** | | | | | |
| Short-term borrowings | $ 28,863,280 | - | - | - | - |
| Short-term notes and bills payable | 3,999,248 | - | - | - | - |
| Notes and accounts payable (including related parties) | 6,069,284 | - | - | - | - |
| Long-term borrowings (including current portion) | 17,407,288 | - | - | - | - |
| Dividends payable | 3,199,272 | - | - | - | - |
| Accrued remuneration of directors (other current liabilities) | 120,639 | - | - | - | - |
| Payroll and bonus payable | 4,737,526 | - | - | - | - |
| Bonds payable (including current portion) | 16,890,669 | - | - | - | - |
| Convertible bonds | 776,258 | - | - | - | - |
| Exchangeable bonds with warrants | 10,256,704 | - | - | - | - |
| Lease liabilities - current and non-current | 1,354,699 | - | - | - | - |
| Subtotal | $ 93,674,867 | - | - | - | - |

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss - current | | | | | |
| Foward 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** | | | | | |
| Domestic and international listed (OTC) stocks | 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 | - | - | - | - |

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| **Financial liabilities at fair value through profit or loss** | | | | | |
| Forward exchange contract | $ 289 | - | 289 | - | 289 |
| Embedded derivatives of exchangeable bonds with warrants | 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 borrowing (including current portion) | 6,384,827 | - | - | - | - |
| Dividends payable | 3,756,469 | - | - | - | - |
| Accrued remuneration of directors (other current liabilities) | 172,906 | - | - | - | - |
| Payroll and bonus payable | 5,310,525 | - | - | - | - |
| Bonds payable (including current portion) | 18,991,451 | - | - | - | - |
| Convertible bonds | 7,409,089 | - | - | - | - |
| Lease liabilities - current and non-current | 1,464,632 | - | - | - | - |
| Subtotal | **$ 81,259,699** | **-** | **-** | **-** | **-** |

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

i. Non-derivative financial instruments

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

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

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

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

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

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

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

ii. Derivative financial instruments

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

(c) 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 |
| Addition in investment | 35,252 | 10,000 |
| Recognized in profit or loss | (4,009) | - |
| Recognized in other comprehensive income | - | (238,876) |
| Capital reduction of investment | (19,421) | (6,327) |
| Reclassification | - | (159,521) |
| Effect of changes in exchange rate | - | 22,626 |
| Balance at December 31, 2024 | **$ 254,686** | **830,400** |

| | | Financial assets at fair value through profit or loss | Financial assets at fair value through other comprehensive income |
|---|---|---|---|
| Balance at January 1, 2023 | $ | 185,793 | 584,254 |
| Addition in investment | | 33,741 | 613,415 |
| Recognized in profit or loss | | 41,238 | - |
| Recognized in other comprehensive income | | - | 47,608 |
| Capital reduction of investment | | (17,908) | (21,414) |
| Reclassification | | - | (21,000) |
| Effect of changes in exchange rate | | - | (365) |
| Balance at December 31, 2023 | **$** | **242,864** | **1,202,498** |

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

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

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

Quantified information of significant unobservable inputs was as follows:

| Item | Valuation technique | Significant unobservable inputs | Relationship between significant unobservable inputs and fair value |
|---|---|---|---|
| Financial assets at fair value through other comprehensive income-equity investments without an active market | Comparable listed companies approach | · Equity value multiplier (as of December 31, 2024 and December 31, 2023 were 1.07%~16.73% and 2.10%~8.24%, respectively)<br>· Lack of Market liquidity discount rate (December 31, 2024 and December 31, 2023 were 28% and 15.70%~30%, respectively) | · The higher the multiplier, the higher the fair value<br>· The higher the lack of market liquidity, the lower the fair value |

(e) 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.

(31) Financial risk management

A. Overview

The Group has exposures to the following risks from its financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

B. Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The board is responsible for developing and monitoring company's risk management policies. Internal auditors assist the Board of Directors to monitor and review the risk management control and internal procedures regularly and report them to the Board of Directors.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, and the results of which are reported to the audit committee.

C. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers and investments in debt securities.

(a) Accounts receivables and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and reviewed quarterly. Customers that fail to meet the Group’s benchmark creditworthiness may transact with the Group only on a prepayment basis.

(b) Investment

The credit risk exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Group’s finance department. As the Group deals with banks, financial institutions, and other external parties with good credit standing, corporate organization and government agencies which are graded above par level, management believes that the Group does not have compliance issues and no significant credit risk.

(c) Guarantee

According to the Group’s policy, the Group can only provide endorsements for companies with business dealing, the companies directly or indirectly owned more than 50% shares with voting right by the Group, or the companies directly or indirectly owned more than 50% shares with voting right of the Group. As of December 31, 2024 and 2023 the Group did not provide any endorsement guarantees except to its subsidiaries.

D. Liquidity risk

There is no liquidity risk of being unable to raise capital to settle contract obligations since the Group has sufficient capital and working capital to fulfill contract obligations.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group’s entities, primarily the New Taiwan Dollar (NTD), but also include the Chinese Yen (CNY), US Dollar (USD), Japanese Yen (JPY) and Euro (EUR). These transactions are denominated in NTD, USD, JPY and EUR.

Interest is denominated in the currency used in borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily NTD, but also include USD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when it is necessary to address short-term imbalances.

(b) Interest rate risk

The Group holds variable-rate assets and liabilities, which cause the exposure to interest rate risk in cash flows.

(c) Price floating risk on equity instruments

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading.

Information on the risk was disclosed in note 6(30).

(32) Capital management

The Board of Directors' policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, capital surplus, retained earnings and other equity interests of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary stockholders.

The Group's debt-to-equity ratios at the end of the reporting periods were as follows:

| | **December 31, 2024** | **December 31, 2023** |
|---|---|---|
| Total liabilities | $ 155,776,774 | 143,501,050 |
| Less: cash and cash equivalent | (54,136,770) | (30,827,503) |
| Net debts | **$ 101,640,004** | **112,673,547** |
| Total equity | **$ 115,554,525** | **81,994,175** |
| Debt-to-equity ratio | **87.96%** | **137.42%** |

The decrease in the debt-to-equity ratio as of December 31, 2024 was mainly due to the decrease in cash and cash equivalents from the issuance of Global Depository Receipts (GDRs) during the period.

(33) Cash flow information

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

For acquiring right of use assets by leasing, please refer to note 6(18).

Reconciliations of liabilities arising from financing activities were as follows:

| | January 1, 2024 | Cash flows | Foreign exchange movement and others | December 31, 2024 |
|---|---|---|---|---|
| Short-term borrowings | $ 31,811,162 | (2,947,882) | - | 28,863,280 |
| Short-term notes and bills payable | - | 3,999,248 | - | 3,999,248 |
| Long-term borrowings (including current portion) | 6,384,827 | 10,885,519 | 136,942 | 17,407,288 |
| Lease liabilities | 1,463,632 | (232,193) | 123,260 | 1,354,699 |
| Bonds payable (including current portion) | 26,400,540 | 2,626,822 | (1,103,731) | 27,923,631 |
| Guarantee deposit received | 1,598,473 | (129,936) | - | 1,468,537 |
| Total liabilities from financing activities | **$ 67,658,634** | **14,201,578** | **(843,529)** | **81,016,683** |

| | January 1, 2023 | Cash flows | Foreign exchange movement and others | December 31, 2023 |
|---|---|---|---|---|
| Short-term borrowings | $ 9,796,000 | 20,884,819 | 1,130,343 | 31,811,162 |
| Long-term borrowings (including current portion) | 903,641 | 4,170,635 | 1,310,551 | 6,384,827 |
| Lease liabilities | 825,028 | (221,403) | 860,007 | 1,463,632 |
| Bonds payable (including current portion) | 42,779,945 | (17,644,805) | 1,265,400 | 26,400,540 |
| Guarantee deposit received | 1,558,715 | 39,758 | - | 1,598,473 |
| Total liabilities from financing activities | **$ 55,863,329** | **7,229,004** | **4,566,301** | **67,658,634** |

## 7. Related-party transactions:

(1) Names and relationships of related parties

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

| Names of related parties | Relationship with the Group |
|---|---|
| Applichem Technology Corp. (Applichem Technology) | Associate (Note 1) |
| SIE | Associate (Note 2) |
| Actron | Subsidiary of the Group (Note 3) |
| CWT | Subsidiary of the Group (Note 4) |
| YuanHong (ShanDong) Technical Matericals Ltd. (“YHTM”) | Subsidiary of the Group (Note 5) |

Note 1: The chairman of Applichem Technology and Waferchem Technology Corporation are the same person.

Note 2: Principles of Hydropower Deployment Co., Ltd. represented as a director of SHE, which constituted related-party transaction.

Note 3: Actron was an affiliated company. Actron became a subsidiary on October 2, 2023.

Note 4: CWT was an affiliated company. CWT became a subsidiary on November 1, 2023.

Note 5: 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.

(2) Significant transactions with related parties

A. Sales

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

| | For the years ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Associates | $ 131,002 | 228,335 |

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 December 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.

B. Purchase and process outsourcing

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

| | For the years ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Associates | $ - | 1,227 |

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

The payment terms to third parties were 0 to 150 days after month-end both in the years ended December 31, 2024 and 2023, while those of related parties were 30 to 90 days after the following month-end both in the years ended ended December 31, 2024 and 2023.

C. Receivables from related parties

The receivables from related parties were as follows:

| Items | Categories | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Receivable from related parties | Associate | $ 564 | - |

D. Payables to related parties

The payables to related parties were as follows:

| Items | Categories | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Payable to related parties | Associate | $ 9 | - |

E. Transactions of property, plant and equipment

(a) Disposition of property, plant and equipment

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

| | For the years ended December 31, | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Disposal price | Receivable from related parties | Disposal price | Receivable from related parties |
| Associate | $ - | - | 213 | - |
| Other related parties | - | - | 2,364 | - |
| | $ - | - | 2,577 | - |

(b) Acquisition of property, plant and equipment

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

| | For the years ended December 31, | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Amount | Payable to related parties | Amount | Payable to related parties |
| Associate | $ - | - | 350 | - |

(c) On May 1, 2023, the Group acquired 100% of the shares and voting interests in SSKT at the price of $443,300 thousand, which was fully paid.

F. Corporate bonds

The Group invested corporate bonds issued by CWT and was recorded in financial assets measured at amortized cost. The investment was fully received on December 31, 2023. For the years ended December 31, 2023, the interest income amounted to $2,730 thousand.

G. Lease

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

| | For the years ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Associates | $ - | 23,086 |

H. Other transactions

The Group provides other services to related parties, including human resources, with the details of other income as follows:

| | For the years ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Associates | $ 2,035 | - |

(3) Key management personnel compensation

Key management personnel compensation comprised of:

| | For the years ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Short-term employee benefits | $ 529,448 | 734,825 |
| Post-employment benefits | 2,202 | 2,048 |
| Share-based payments | 14,127 | 19,168 |
| | $ 545,777 | 756,041 |

**8. Pledged assets:**

The carrying values of pledged assets were as follows:

| Asset name | Pledge or Mortgage underlying subject | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Property, plant and equipment | Long-term and short-term borrowings and credit lines | $ 2,126,785 | 3,391,086 |
| Time deposits (recognized in other financial assets－current) | Pledged certificates of deposit, etc. | 10,009,356 | 10,759,072 |
| Time deposits (recognized in other financial assets－non-current) | Guarantee for the lease contract with the Hsinchu Science Park Bureau, etc. | 79,805 | 119,145 |
| Time deposits/deposit guarantee (recognized in other financial assets－non current) | Court litigation | - | 11,181 |
| Financial assets at fair value through profit or loss-non-current | Provision of Siltronic AG share to trustee as guarantee | 4,922,322 | - |
| Equity instrument investments and treasury shares measured at fair value through other comprehensive income | Long-term and short-term borrowing | 3,369,225 | - |
| | | $ 20,507,493 | 14,280,484 |

**9. Commitments and contingencies:**

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

(1) Significant unrecognized contractual commitments

A. As of December 31, 2024 and 2023, the purchase amounts for future procurement from suppliers under the existing agreements were $33,027,439 thousand and $29,690,722 thousand, respectively.

B. The Group 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 Group. 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 Group will negotiate the selling price and adjusting the average selling price in accordance with market conditions.

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

(Unit: currency in thousands)

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| USD | $ 21,377 | 19,165 |
| EUR | $ 12,505 | 13,889 |

C. As of December 31, 2024 and 2023, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to $28,591,837 thousand and $55,764,343 thousand, respectively.

D. As of December 31, 2024 and 2023, the total amount of promissory notes deposited by the Group at the bank for acquiring bank financing is $120,372,001 thousand and $81,057,352 thousand, respectively.

E. As of December 31, 2024 and 2023, a guarantee letter for the Customs Administration and Research and Development which the Group requested a bank to issue amounted to $76,183 thousand and $125,200 thousand, respectively.

F. As of December 31, 2024 and 2023, the Group’s outstanding standby letters of credit that were issued amounted to $304,157 thousand and $257,707 thousand, respectively.

G. The Group signed a long-term sales contract with some customers and received the advance payment. The customer is required to order minimum quantity according to the contract. As of December 31, 2024 and 2023, a guarantee letter for the customer issued by the bank amounted to $4,300,840 thousand and $4,452,951 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. As of December 31, 2024 and 2023, the above-mentioned guarantee deposit were recorded as other liabilities－non-current.

I. The Group signed an agreement with its associates and other suppliers to purchase installed capacity amounted to 327MW with a fixed price. The contract period is 1-20 years from the date of power generation, and the minimum wattage consumption must be fulfilled according to the agreement.

**10. Losses due to major disasters: None.**

**11. Subsequent Events: None**

## 12. Other:

| By function / By item | For the years ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Cost of goods sold | Operating expenses | Total | Cost of goods sold | Operating expenses | Total |
| Employee benefits | | | | | | |
| Salary | 10,141,333 | 3,786,041 | 13,927,374 | 9,788,386 | 3,537,774 | 13,326,160 |
| Labor and health insurance | 1,364,594 | 362,647 | 1,727,241 | 1,230,596 | 294,496 | 1,525,092 |
| Pension | 671,237 | 156,254 | 827,491 | 617,410 | 183,595 | 801,005 |
| Others employee benefits expenses | 357,707 | 201,848 | 559,555 | 283,350 | 96,496 | 379,846 |
| Depreciation | 9,220,402 | 618,170 | 9,838,572 | 7,921,807 | 424,227 | 8,346,034 |
| Amortization | 164,205 | 21,433 | 185,638 | 331,574 | 21,152 | 352,726 |

## 13. Other disclosures:

(1) Information on significant transactions:

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

A. Loans to other parties: Please refer to Table 1.

B. Guarantees and endorsements for other parties: Please refer to Table 2.

C. Securities held as of December 31, 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: Please refer to Table 4.

E. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: 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 5.

H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 6.

I. Trading in derivative instruments: Please refer to note 6(2).

J. Business relationships and significant intercompany transactions: Please refer to Table 7.

(2) Information on investees: Please refer to Table 8.

(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 9(1).

B. Limitation on investment in Mainland China: Please refer to Table 9(2).

C. Significant transactions:

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

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

## 14. Segment information:

(1) Operating segments

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

| | 2024 | | | | |
|---|---|---|---|---|---|
| | **Semiconductor segment** | **Renewable energy segment** | **Automotive components Segment** | **Reconciliation and elimination** | **Total** |
| Revenues: | | | | | |
| External customers | $ 67,409,362 | 4,686,999 | 7,582,186 | - | 79,678,547 |
| Intersegment | 389,347 | - | - | (389,347) | - |
| Total revenue | **$ 67,798,709** | **4,686,999** | **7,582,186** | **(389,347)** | **79,678,547** |
| Finance costs | **$ 869,912** | **134,387** | **94,478** | **-** | **1,098,777** |
| Depreciation and amortization | **$ 8,674,156** | **780,976** | **569,078** | **-** | **10,024,210** |
| Reportable segment profit or loss | **$ 10,509,232** | **289,457** | **722,056** | **-** | 11,520,745 |
| Share of profit (loss) of associates accounted for using equity method | | | | | 88,738 |
| | | | | | **$ 11,609,483** |
| Reportable segment assets | **$ 237,097,966** | **17,268,930** | **15,508,102** | **(111,363)** | 269,763,635 |
| Investments accounted for using equity method | | | | | 1,567,664 |
| | | | | | **$ 271,331,299** |
| Reportable segment liabilities | **$ 134,897,928** | **15,394,357** | **5,595,852** | **(111,363)** | **155,776,774** |

| | 2023 | | | | |
|---|---|---|---|---|---|
| | **Semiconductor segment** | **Renewable energy segment** | **Automotive components Segment** | **Reconciliation and elimination** | **Total** |
| Revenues: | | | | | |
| External customers | $ 73,583,164 | 6,757,658 | 1,625,130 | - | 81,965,952 |
| Intersegment | 236,690 | 1,564,996 | - | (1,801,686) | - |
| Total revenue | **$ 73,819,854** | **8,322,654** | **1,625,130** | **(1,801,686)** | **81,965,952** |
| Finance costs | **$ 661,922** | **109,352** | **21,609** | **-** | **792,883** |
| Depreciation and amortization | **$ 7,250,952** | **1,314,603** | **133,205** | **-** | **8,698,760** |
| Reportable segment profit or loss | **$ 16,830,864** | **751,195** | (19,602) | **-** | 17,562,457 |
| Share of profit (loss) of associates accounted for using equity method | | | | | 216,455 |
| | | | | | **$ 17,778,912** |
| Reportable segment assets | **$ 198,303,019** | **8,696,816** | **17,192,498** | **(191,939)** | 224,000,394 |
| Investments accounted for using equity method | | | | | 1,494,831 |
| | | | | | **$ 225,495,225** |
| Reportable segment liabilities | **$ 123,321,413** | **15,063,873** | **5,307,703** | **(191,939)** | **143,501,050** |

(2) Geographical information

Information on the Consolidated Company's geographical location is as follows: Revenues are categorized based on the geographic location of the customer, and non-current assets (which composition excludes financial instruments, investments accounted for under the equity method, and deferred income tax assets) are categorized based on the geographic location of the asset.

A. For revenue from external customers, please refer to Note 6(23) of the Revenue Information on Customer Contracts.

B. Non-current assets:

| **Geographical information** | **December 31, 2024** | **December 31, 2023** |
|---|---|---|
| Taiwan | $ 28,880,558 | 28,525,232 |
| Korea | 9,973,685 | 12,461,354 |
| Japan | 18,652,673 | 17,416,861 |
| United States | 67,565,273 | 26,618,072 |
| Italy | 14,906,954 | 7,105,079 |
| Philippines | 139,520 | 130,668 |
| Other countries | 3,734,442 | 4,152,911 |
| | **$ 143,853,105** | **96,410,177** |

(3) Major customers information

Information on significant customers of the Group that accounted for 10% or more of net operating revenues is summarized follows:

| | For the years ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Group C | **$ 8,160,987** | **11,205,438** |

## Sino-American Silicon Products Inc. and Subsidiaries

## Loans to other parties

## For the period ended December 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 | SAS | SSH | Receivable from related parties | Yes | 1,000,000 | 600,000 | - | -% | 2 | - | Operating capital | - | - | - | 19,426,374 | 19,426,374 |
| 0 | SAS | Sunrise PV Three | Receivable from related parties | Yes | 100,000 | - | - | -% | 2 | - | Operating capital | - | - | - | 19,426,374 | 19,426,374 |
| 0 | SAS | Sulu | Receivable from related parties | Yes | 1,720,950 | 655,700 | - | -% | 2 | - | Operating capital | - | - | - | 19,426,374 | 19,426,374 |
| 0 | SAS | Sunrise PV Four | Receivable from related parties | Yes | 500,000 | 340,000 | 340,000 | 1.80% | 2 | - | Operating capital | - | - | - | 19,426,374 | 19,426,374 |
| 0 | SAS | Sunrise PV Five | Receivable from related parties | Yes | 200,000 | - | - | -% | 2 | - | Operating capital | - | - | - | 19,426,374 | 19,426,374 |
| 0 | SAS | CWT | Receivable from related parties | Yes | 300,000 | - | - | -% | 2 | - | Operating capital | - | - | - | 19,426,374 | 19,426,374 |
| 1 | SSTI | Sulu | Receivable from related parties | Yes | 481,284 | 481,284 | 481,284 | -% | 2 | - | Operating capital | - | - | - | 2,249,746 | 2,249,746 |
| 1 | SSTI | AMLED | Receivable from related parties | Yes | 374,779 | 374,208 | 374,208 | -% | 2 | - | Operating capital | - | - | - | 2,249,746 | 2,249,746 |
| 2 | SAS Sunrise Inc | Sulu | Receivable from related parties | Yes | 349,693 | 349,160 | 349,160 | -% | 2 | - | Operating capital | - | - | - | 427,665 | 427,665 |
| 3 | Global Wafers | Sunrise PV Five | Receivable from related parties | Yes | 100,000 | 100,000 | - | -% | 2 | - | Operating capital | - | - | - | 36,412,366 | 36,412,366 |
| 3 | Global Wafers | Sunrise PV Four | Receivable from related parties | Yes | 500,000 | 500,000 | - | -% | 2 | - | Operating capital | - | - | - | 36,412,366 | 36,412,366 |
| 3 | Global Wafers | CWT | Receivable from related parties | Yes | 350,000 | 200,000 | - | -% | 2 | - | Operating capital | - | - | - | 36,412,366 | 36,412,366 |
| 4 | GWJ | MEMC Japan | Receivable from related parties | Yes | 15,872,220 | 13,937,360 | 12,321,130 | 0.91909% | 2 | - | Operating capital | - | - | - | 18,737,294 | 18,737,294 |
| 5 | MEMC SpA | GWS | Receivable from related parties | Yes | 2,770,560 | - | - | -% | 2 | - | Operating capital | - | - | - | 11,614,267 | 11,614,267 |
| 6 | GWS | GWBV | Receivable from related parties | Yes | 1,313,400 | 1,311,400 | 1,109,641 | 6.04% | 2 | - | Operating capital | - | - | - | 39,228,817 | 39,228,817 |

| Number | Name of lender | Name of borrower | Account name | Related party | Highest balance of financing to other parties during the period | Ending balance | Actual usage amount during the period | Range of interest rates during the period | Purposes of fund financing for the borrower (Note 1) | Transaction amount for business between two parties | Reasons for short-term financing | Loss allowance | Collateral | | Individual funding loan limits (Note 2, 3) | Maximum limit of fund financing (Note 2, 3) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Item | Value | | |
| 6 | GWS | GW GmbH | Receivable from related parties | Yes | 4,440,000 | 4,267,500 | 4,267,500 | 2.70% | 2 | - | Operating capital | - | - | - | 39,228,817 | 39,228,817 |
| 6 | GWS | Global Wafers | Receivable from related parties | Yes | 9,850,500 | 9,835,500 | 2,655,585 | 5.00% | 2 | - | Operating capital | - | - | - | 39,228,817 | 39,228,817 |
| 6 | GWS | MEMC SpA | Receivable from related parties | Yes | 983,550 | 983,550 | 983,550 | 4.922% | 2 | - | Operating capital | - | - | - | 39,228,817 | 39,228,817 |
| 6 | GWS | GWA | Receivable from related parties | Yes | 4,917,750 | 4,917,750 | 3,278,500 | 4.66% | 2 | - | Operating capital | - | - | - | 39,228,817 | 39,228,817 |
| 7 | GTI | MEMC LLC | Receivable from related parties | Yes | 5,632,200 | 1,639,250 | 756,022 | 5.15134% | 2 | - | Operating capital | - | - | - | 13,791,701 | 13,791,701 |
| 8 | GWBV | GW GmbH | Receivable from related parties | Yes | 2,131,200 | 2,048,400 | 273,120 | 2.70% | 2 | - | Operating capital | - | - | - | 50,330,389 | 50,330,389 |
| 8 | GWBV | Topsil A/S | Receivable from related parties | Yes | 639,360 | 614,520 | - | -% | 2 | - | Operating capital | - | - | - | 50,330,389 | 50,330,389 |
| 8 | GWBV | MEMC SpA | Receivable from related parties | Yes | 3,480,000 | 3,414,000 | 1,365,600 | 3.502% | 2 | - | Operating capital | - | - | - | 50,330,389 | 50,330,389 |
| 9 | SST | SSKT | Receivable from related parties | Yes | 105,445 | 64,931 | - | -% | 2 | - | Operating capital | - | - | - | 3,193,324 | 3,193,324 |
| 10 | SSKT | MHTM | Receivable from related parties | Yes | 95,445 | 94,038 | 42,541 | 3.45% | 2 | - | Operating capital | - | - | - | 114,788 | 114,788 |
| 11 | YHTM | SSKT | Receivable from related parties | Yes | 38,633 | - | - | -% | 2 | - | Operating capital | - | - | - | 41,571 | 41,571 |
| 12 | GWCC | Global Wafers | Receivable from related parties | Yes | 3,245,715 | 3,245,715 | 3,245,715 | 4.657% | 2 | - | Operating capital | - | - | - | 3,379,008 | 3,379,008 |

Note 1: The nature of financing purposes:
(1) Represents entities with business transaction with the Company.
(2) Represents where an inter-company or inter firm short-term financing facility is necessary.

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

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

Note 3: (1) For the Company' s loan of funds to those having business transactions, the total loan is limited to 40% of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 40% of the net worth of the company that lends loan; the fund lending 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 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 100% of the net worth of the company that lends loan.

(4) For loan of funds of SAS Sunrise Inc. to those having business transactions, the total loan is limited to 5 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 5 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 100% of the net worth of the company that lends loan.

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

## Sino-American Silicon Products Inc. and Subsidiaries
## Guarantees and endorsements for other parties
## For the period ended December 31, 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 | SAS | Sunrise PV Four | 2 | 48,565,934 | 170 | - | - | - | - % | 48,565,934 | Y | N | N |
| 0 | SAS | Sunrise PV Three | 2 | 48,565,934 | 35,421 | 35,421 | 28,421 | - | 0.07 % | 48,565,934 | Y | N | N |
| 0 | SAS | SSH | 2 | 48,565,934 | 2,300,000 | 1,300,000 | - | - | 2.68 % | 48,565,934 | Y | N | N |
| 0 | SAS | SES | 2 | 48,565,934 | 165,446 | 165,446 | 128,754 | - | 0.34 % | 48,565,934 | Y | N | N |
| 0 | SAS | Sulu | 1 | 1,545,758 (Note 6) | 1,510,410 (Note 5) | 1,508,110 (Note 5) | 784,906 (Note 5) | - | 3.11 % | 1,545,758 (Note 6) | Y (Note 4) | N | N |
| 1 | GlobalWafers | GW GmbH | 2 | 273,092,748 | 22,399,000 | 15,363,000 | 11,785,128 | - | 16.88 % | 273,092,748 | N | N | N |
| 1 | GlobalWafers | GWH | 2 | 273,092,748 | 1,100,000 | 800,000 | - | - | 0.88 % | 273,092,748 | N | N | N |
| 1 | GlobalWafers | Sunrise PV Four | 2 | 273,092,748 | 535,067 | 535,067 | 63,667 | - | 0.59 % | 273,092,748 | N | N | N |
| 1 | GlobalWafers | Sunrise PV Five | 2 | 273,092,748 | 114,800 | 114,800 | 95,900 | - | 0.13 % | 273,092,748 | N | N | N |
| 1 | GlobalWafers | GWS | 2 | 273,092,748 | 5,594,129 | 5,532,574 | 5,434,219 | - | 6.08 % | 273,092,748 | N | N | N |
| 1 | GlobalWafers | MEMC SpA | 2 | 273,092,748 | 3,125,760 | 3,004,320 | 2,867,760 | - | 3.30 % | 273,092,748 | N | N | N |
| 1 | GlobalWafers | GWA | 2 | 273,092,748 | 13,658,863 | 12,655,010 | 12,655,010 | - | 13.90 % | 273,092,748 | 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 | 273,092,748 | 1,084,253 | 1,084,178 | 35,500 | - | 1.19 % | 273,092,748 | N | N | N |
| 1 | GlobalWafers | MEMC LLC | 2 | 273,092,748 | 655,700 | 655,700 | 655,700 | - | 0.72 % | 273,092,748 | N | N | N |
| 2 | GTI | MEMC LLC | 2 | 68,958,505 | 3,283,500 | 3,278,500 | - | - | 23.77 % | 68,958,505 | N | N | N |
| 3 | SST | KST | 2 | 15,966,620 | 1,447,222 | 1,425,888 | 1,425,888 | - | 44.65 % | 15,966,620 | N | N | Y |
| 4 | GWS | GWA | 2 | 196,144,085 | 29,506,500 | 29,506,500 | 9,945,789 | - | 75.22 % | 196,144,085 | 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 23,941 thousand.

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

## Sino-American Silicon Products Inc. and Subsidiaries

## Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures)

## December 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 Shares/Units (thousand) | Carrying value | Percentage of ownership (%) | Fair value | Highest Percentage of ownership (%) during the year | Note |
|---|---|---|---|---|---|---|---|---|---|
| SAS | Powtec ElectroChemical Corporation (Original name was Powertec Energy Corporation) | None | Financial assets at fair value through other comprehensive income | 30,410 | - | 2.14 % | - | 2.14 % | |
| SAS | Giga Epitaxy Technology Corp | None | Financial assets at fair value through other comprehensive income | 531 | - | 1.61 % | - | 1.61 % | |
| SAS | Big Sun | None | Financial assets at fair value through other comprehensive income | 15,000 | - | 3.41 % | - | 3.41 % | |
| SAS | Billion Watts Co., Ltd. | None | Financial assets at fair value through other comprehensive income | 3 | 80 | 0.02 % | 80 | 0.02 % | |
| SAS | Billion Electric Co., Ltd. | None | Financial assets at fair value through other comprehensive income | 15,000 | 442,500 | 12.98 % | 442,500 | 12.98 % | |
| SSTI | Stock of SILFAB SPA | None | Financial assets at fair value through other comprehensive income | 300 | 274,486 | 15.00 % | 274,486 | 15.00 % | |
| SSTI | Stock of Clean Venture 21 Corporation | None | Financial assets at fair value through other comprehensive income | 10 | - | 7.20 % | - | 7.20 % | |
| SSH | NextDrive | None | Financial assets at fair value through other comprehensive income | 1,020 | 12,627 | 5.39 % | 12,627 | 5.39 % | |
| SSH | SKY TECH Inc. | None | Financial assets at fair value through other comprehensive income | 28 | 10,276 | 0.04 % | 10,276 | 0.04 % | |
| SSH | TAISC Materials Corp | None | Financial assets at fair value through other comprehensive income | 200 | 20,000 | 0.40 % | 20,000 | 0.40 % | |
| SSH | Ancora Semiconductors Inc. | None | Financial assets at fair value through other comprehensive income | 3,400 | 40,766 | 6.16 % | 40,766 | 6.16 % | |
| SSH | ANJET | None | Financial assets at fair value through other comprehensive income | 600 | 58,423 | 4.24 % | 58,423 | 4.24 % | |
| SSH | YE SIANG ENTERPRISE CO., LTD. | None | Financial assets at fair value through other comprehensive income | 200 | 10,000 | 0.34 % | 10,000 | 0.34 % | |

| Name of holder | Category and name of security | Relationship with the Company | Account title | Ending balance | | | | Highest Percentage of ownership (%) during the year | Note |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Shares/Units (thousand) | Carrying value | Percentage of ownership (%) | Fair value | | |
| GlobalWafers | CDIB Capital Growth Partners L.P. | None | Financial assets at fair value through profit or loss－non-current | - | 155,624 | 3.85 % | 155,624 | 3.85 % | |
| GlobalWafers | Siltronic AG | None | Financial assets at fair value through profit or loss－non-current | 650 | 1,031,882 | 2.17 % | 1,031,882 | 2.17 % | |
| GW GmbH | Siltronic AG | None | Financial assets at fair value through profit or loss－non-current | 3,101 | 4,922,322 | 10.34 % | 4,922,322 | 10.34 % | |
| GWBV | Siltronic AG | None | Financial assets at fair value through profit or loss－non-current | 350 | 558,096 | 1.17 % | 558,096 | 1.17 % | |
| GlobalWafers | WT Microelectronics Co., Ltd. | None | Financial assets at fair value through other comprehensive income | 621 | 68,298 | 0.05 % | 68,298 | 0.06 % | |
| GWH | Foreign securities | None | Financial assets at fair value through profit or loss－non-current | - | 99,062 | 1.93 % | 99,062 | 1.93 % | |
| CWT | CGK International Co., Ltd | None | Financial assets at fair value through other comprehensive income | 1,800 | - | 4.12 % | - | 4.12 % | |
| CWT | Giga Electronic Technology Corporation | None | Financial assets at fair value through other comprehensive income | 3,000 | - | 9.09 % | - | 9.09 % | |
| CWT | ALOX Technology Crop. (Original name was B Crystal Corp.) | None | Financial assets at fair value through other comprehensive income | 4 | - | 8.00 % | - | 8.00 % | |
| CWT | Pinecone Material Inc. | None | Financial assets at fair value through profit or loss－non-current | 3,333 | - | 11.30 % | - | 11.30 % | |
| YHTM | Dushan Jingke Photoelectric Information Material Co., Ltd | None | Financial assets at fair value through other comprehensive income | 18,467 | - | 11.00 % | - | 11.00 % | |
| GWS | Citigroup Global Markets Holdings Inc. USD Fixed rate Bond | None | Financial assets measured at amortized cost －non-current | - | 6,254,215 | - % | - | - % | |
| Actron | Sino American Silicon Products Inc. | Parent company | Financial assets at fair value through other comprehensive income－non-current | 2,000 | 269,000 | 0.31 % | 269,000 | 0.31 % | Note 1 |
| Actron | Phoenix Pioneer technology Co., Ltd. | None | Financial assets at fair value through other comprehensive income－non-current | 15,265 | 159,521 | 5.13 % | 159,521 | 5.13 % | |
| Actron | ANJET | None | Financial assets at fair value through other comprehensive income－non-current | 3,108 | 293,421 | 22.41 % | 293,421 | 22.41 % | |
| Actron | AMED VENTURES I, L.P. | None | Financial assets at fair value through other comprehensive income－non-current | - | 101,584 | - % | 101,584 | - % | |
| Actron | Super Energy Materials, Inc. | None | Financial assets at fair value through other comprehensive income－non-current | 1,663 | 11,774 | 3.48 % | 11,774 | 3.48 % | |

| Name of holder | Category and name of security | Relationship with the Company | Account title | Ending balance | | | | Highest Percentage of ownership (%) during the year | Note |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Shares/Units (thousand) | Carrying value | Percentage of ownership (%) | Fair value | | |
| MVI | ProMOS Technologies Inc. | None | Financial assets at fair value through other comprehensive income－non-current | 603 | 4,960 | 1.34 % | 4,960 | 1.34 % | |
| MVI | Aplus Flash Technology,Inc. | None | Financial assets at fair value through other comprehensive income－non-current | 1,492 | - | 5.28 % | - | 5.28 % | |
| MVI | Pacific Resources Corporation | None | Financial assets at fair value through other comprehensive income－non-current | 37 | 2,200 | 4.88 % | 2,200 | 4.88 % | |
| MVI | Soft Device Inc. | None | Financial assets at fair value through other comprehensive income－non-current | 7,518 | - | - % | - | - % | |
| MVI | Pegasus Wireless Corp. | None | Financial assets at fair value through other comprehensive income－non-current | 1,815 | - | - % | - | - % | |
| MVI | NewMedia Networking Corp. | None | Financial assets at fair value through other comprehensive income－non-current | 1,600 | - | - % | - | - % | |
| MVI | Aumos Technologies Inc. | None | Financial assets at fair value through other comprehensive income－non-current | 1,365 | - | 16.24 % | - | 16.24 % | |
| Mou Fu Investment Consultant Ltd. | ProMOS Technologies Inc. | None | Financial assets at fair value through other comprehensive income－non-current | 32 | 266 | 0.07 % | 360 | 0.07 % | |
| Mou Fu Investment Consultant Ltd. | Advanced Flash Memory Card Technology Co., Ltd. | None | Financial assets at fair value through other comprehensive income－non-current | 340 | - | 0.41 % | - | 0.41 % | |
| Mou Fu Investment Consultant Ltd. | E-Soft Technologies, Inc. | None | Financial assets at fair value through other comprehensive income－non-current | 201 | 1,116 | 2.37 % | 1,116 | 2.37 % | |
| Mou Fu Investment Consultant Ltd. | Harbinger III Venture Capital Corp. | None | Financial assets at fair value through other comprehensive income－non-current | - | 5 | 0.56 % | 5 | 0.56 % | |
| Mou Fu Investment Consultant Ltd. | Virtual Silicon Technology, Inc. | None | Financial assets at fair value through other comprehensive income－non-current | 224 | - | - % | - | - % | |
| Mou Fu Investment Consultant Ltd. | Wavesat Inc. | None | Financial assets at fair value through other comprehensive income－non-current | 44 | - | - % | - | - % | |
| Hongwang | Sino American Silicon Products Inc. | Parent company | Financial assets at fair value through other comprehensive income－non-current | 25,050 | 3,369,225 | 4.27 % | 3,369,225 | 4.27 % | Note 1 |

Note1: Refer to Note 6(22) for the disclosure of treasury stock.

## Sino-American Silicon Products Inc. and Subsidiaries

## Individual securities acquired or disposed of with accumulated amounts exceeding the lower of than NT$300 million or 20% of the capital stock

## For the period ended December 31, 2024

Table 4 (In Thousands of New Taiwan Dollars)

| Name of company | Category and name of security | Account name | Name of counter-party | Relationship with the company | Beginning Balance | | Purchases | | Sales | | | | Ending Balance | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Shares | Amount (Note) | Shares | Amount (Note) | Shares | Price | Cost | Gain (loss) on disposal | Shares | Amount |
| GWS | Citigroup Global Markets Holdings Inc. USD Fixed rate Bond | Financial assets measured at amortized cost －non-current | - | None | - | - | - | 6,349,394 | - | - | - | - | - | 6,254,215 |
| SSH | Transphorm Inc. | Financial assets at fair value through other comprehensive income | - | None | 4,750 | 532,348 | - | - | 4,750 | 789,375 | 652,503 | 133,840 | - | - |

Note: Including valuation gains and losses, remeasurement gains, exchange rate effects, and investment gains and losses.

# Sino-American Silicon Products Inc. and Subsidiaries

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

## For the period ended December 31, 2024

Table 5 (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) | |
| SAS | Global Wafers | Indirectly held subsidiaries | Purchase | 104,810 | - % | Net 30 days from the end of the next month upon issuance of invoice | - | - | (4,539) | -% | |
| SAS | SIE | Indirectly held associate | Sale | (131,002) | (2) % | Net 30 days from the end of the month upon issuance of invoice | - | - | 377 | -% | |
| SAS | Sunrise PV Four | Indirectly held subsidiaries | Sale | (123,000) | (2) % | Net 30 days from the end of the month upon issuance of invoice | - | - | 19,877 | 6% | |
| GlobalWafers | SAS | Directly held subsidiaries | Purchase | 680,377 | 5 % | Net 30 days from the end of the next month upon issuance of invoice | - | - | (60,482) | (1)% | |
| GlobalWafers | GTI | Indirectly held subsidiaries | Purchase | 1,710,758 | 3 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (224,514) | (2)% | |
| GlobalWafers | SST | Indirectly held subsidiaries | Purchase | 1,377,170 | 2 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (168,825) | (2)% | |
| GlobalWafers | GWJ | Indirectly held subsidiaries | Purchase | 6,846,900 | 11 % | Net 60 to 90 days from the end of the month upon issuance of invoice | - | - | (1,850,002) | (18)% | |
| GlobalWafers | Topsil A/S | Indirectly held subsidiaries | Purchase | 1,721,216 | 3 % | Net 30 to 60 days from the end of the month upon issuance of invoice | - | - | (204,647) | (2)% | |
| GlobalWafers | GWS | Indirectly held subsidiaries | Purchase | 537,067 | 1 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (115,190) | (1)% | |
| GlobalWafers | KST | Indirectly held subsidiaries | Purchase | 219,567 | - % | Net 45 days from the end of the month upon issuance of invoice | - | - | - | -% | |
| GWS | GlobalWafers | Indirectly held subsidiaries | Purchase | 7,356,133 | 12 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (672,672) | (7)% | |
| GTI | GlobalWafers | Indirectly held subsidiaries | Purchase | 3,047,996 | 5 % | Net 90 days from the end of the next month upon issuance of invoice | - | - | (242,010) | (2)% | |
| SST | GlobalWafers | Indirectly held subsidiaries | Purchase | 773,103 | 1 % | Net 30 days from the end of the month upon issuance of invoice | - | - | (60,436) | (1)% | |
| Topsil A/S | GlobalWafers | Indirectly held subsidiaries | Purchase | 487,013 | 1 % | Net 60 to 90 days from the end of the month upon issuance of invoice | - | - | (101,523) | (1)% | |
| KST | GlobalWafers | Indirectly held subsidiaries | Purchase | 288,524 | - % | Net 60 days from the end of the month upon issuance of invoice | - | - | (178,061) | (2)% | |

| 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) | |
| MVI | GlobalWafers | Indirectly held subsidiaries | Purchase | 189,896 | - % | Net 60 days from the end of the month upon issuance of invoice | - | - | (41,270) | -% | |
| GWJ | GlobalWafers | Indirectly held subsidiaries | Purchase | 2,262,959 | 4 % | Net 60 to 90 days from the end of the month upon issuance of invoice | - | - | (810,076) | (8)% | |
| MEMC Sdn Bhd | GlobalWafers | Indirectly held subsidiaries | Purchase | 176,424 | - % | Net 60 days from the end of the month upon issuance of invoice | - | - | (29,012) | -% | |
| MEMC Korea | GlobalWafers | Indirectly held subsidiaries | Purchase | 149,324 | - % | Net 30 to 60 days from the end of the month upon issuance of invoice | - | - | (673) | -% | |
| CWT | SAS | Indirectly held subsidiaries | Purchase | 1,080,153 | 8 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (501,906) | (10)% | |
| MEMC SpA | CWT | Indirectly held subsidiaries | Purchase | 486,010 | 1 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (108,144) | (1)% | |
| MEMC Korea | CWT | Indirectly held subsidiaries | Purchase | 1,413,479 | 2 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (643,094) | (6)% | |
| GWJ | CWT | Indirectly held subsidiaries | Purchase | 120,304 | - % | Net 60 days from the end of the month upon issuance of invoice | - | - | (121,714) | (1)% | |
| GWS | MEMC LLC | Indirectly held subsidiaries | Purchase | 1,632,389 | 3 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (143,949) | (1)% | |
| GWS | MEMC LLC | Indirectly held subsidiaries | Sale | (752,370) | (1) % | Net 60 days from the end of the month upon issuance of invoice | - | - | 115,153 | 1% | |
| GWS | MEMC Sdn Bhd | Indirectly held subsidiaries | Purchase | 1,366,282 | 2 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (137,803) | (1)% | |
| GWS | MEMC Sdn Bhd | Indirectly held subsidiaries | Sale | (411,163) | (1) % | Net 60 days from the end of the month upon issuance of invoice | - | - | 53,146 | 1% | |
| GWS | MEMC SpA | Indirectly held subsidiaries | Purchase | 3,192,772 | 5 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (462,266) | (5)% | |
| GWS | MEMC SpA | Indirectly held subsidiaries | Sale | (8,123,113) | (13) % | Net 60 days from the end of the month upon issuance of invoice | - | - | 1,683,704 | 16% | |
| GWS | MEMC Korea | Indirectly held subsidiaries | Purchase | 1,822,235 | 3 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (486,198) | (5)% | |
| GWS | MEMC Korea | Indirectly held subsidiaries | Sale | (106,773) | - % | Net 60 days from the end of the month upon issuance of invoice | - | - | 11,190 | -% | |
| GWS | MEMC Japan | Indirectly held subsidiaries | Purchase | 5,539,242 | 9 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (767,190) | (7)% | |
| GWS | MEMC Japan | Indirectly held subsidiaries | Sale | (2,030,092) | (3) % | Net 60 days from the end of the month upon issuance of invoice | - | - | 380,126 | 4% | |
| Actron | GlobalWafers | Directly held subsidiaries | Purchase | 283,357 | 8 % | Net 60 days from the end of the month upon issuance of invoice | - | - | (54,774) | (8)% | |

| 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) | |
| Actron | MVI | Indirectly held subsidiaries | Purchase | 755,323 | 22 % | Net 30 days from the end of the month upon issuance of invoice | - | | (101,006) | (15)% | |
| Actron | DING-WEI Technology Co., Ltd. | Indirectly held subsidiaries | Purchase | 737,241 | 21 % | Net 90 days from the end of the month upon issuance of invoice | - | | (169,159) | (25)% | |

## Sino-American Silicon Products Inc. and Subsidiaries

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

## December 31, 2024

Table 6 (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 | | |
| SAS | CWT | Indirectly held subsidiaries | 501,906 | 4.30 | - | - | - | - |
| SSTI | AMLED | Indirectly held subsidiaries | 374,208 | Note 1 | - | - | - | - |
| SSTI | Sulu | Indirectly held subsidiaries | 481,284 | Note 1 | - | - | - | - |
| SAS Sunrise Inc | Sulu | Indirectly held subsidiaries | 349,160 | Note 1 | - | - | - | - |
| GlobalWafers | GTI | Indirectly held subsidiaries | 242,010 | 6.42 | - | - | 275 | - |
| GlobalWafers | GWJ | Indirectly held subsidiaries | 810,076 | 2.75 | - | - | 99,816 | - |
| GlobalWafers | GWS | Indirectly held subsidiaries | 672,672 | 7.83 | - | - | 71,160 | - |
| GlobalWafers | Topsil A/S | Indirectly held subsidiaries | 101,523 | 2.81 | - | - | 4,920 | - |
| GlobalWafers | KST | Indirectly held subsidiaries | 178,061 | 2.53 | - | - | 1,969 | - |
| GTI | GlobalWafers | Indirectly held subsidiaries | 224,514 | 8.03 | - | - | 10 | - |
| SST | GlobalWafers | Indirectly held subsidiaries | 168,825 | 7.16 | - | - | 3,090 | - |
| GWJ | GlobalWafers | Indirectly held subsidiaries | 1,850,002 | 3.48 | - | - | 528,204 | - |
| Topsil A/S | GlobalWafers | Indirectly held subsidiaries | 204,647 | 12.29 | - | - | 73,889 | - |
| CWT | MEMC Korea | Indirectly held subsidiaries | 643,094 | 4.40 | - | - | 51,700 | - |
| CWT | MEMC SpA | Indirectly held subsidiaries | 108,144 | 8.99 | - | - | 19,100 | - |
| CWT | GWJ | Indirectly held subsidiaries | 121,714 | 1.98 | - | | - | - |
| GWJ | GlobalWafers | Indirectly held subsidiaries | 115,910 | 6.34 | - | - | 690 | - |
| GWS | MEMC Japan | Indirectly held subsidiaries | 380,126 | 6.74 | - | - | 180,222 | - |
| GWS | MEMC SpA | Indirectly held subsidiaries | 1,683,704 | 4.86 | - | - | 641,833 | - |
| GWS | MEMC LLC | Indirectly held subsidiaries | 115,153 | 6.34 | - | - | 61,440 | - |

| Name of company | Counter-party | Nature of relationship | Ending balance | Turnover rate | Overdue | | Amounts received in subsequent period (Note 3) | Allowance for bad debts |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount | Action taken | | |
| MEMC Sdn Bhd | GWS | Indirectly held subsidiaries | 137,803 | 7.02 | - | - | 20,444 | - |
| MEMC SpA | GWS | Indirectly held subsidiaries | 462,266 | 6.01 | - | - | 235,791 | - |
| MEMC Korea | GWS | Indirectly held subsidiaries | 486,198 | 5.04 | - | - | 223,544 | - |
| MEMC Japan | GWS | Indirectly held subsidiaries | 767,190 | 7.21 | - | - | 16,660 | - |
| MEMC LLC | GWS | Indirectly held subsidiaries | 143,949 | 5.24 | - | - | 22,869 | - |
| GWS | GlobalWafers | Indirectly held subsidiaries | 2,655,585 | Note 1 | - | - | - | - |
| GWJ | MEMC Japan | Indirectly held subsidiaries | 12,321,130 | Note 1 | - | - | - | - |
| GWS | GWBV | Indirectly held subsidiaries | 1,120,475 | Note 1 | - | - | - | - |
| GWS | GW GmbH | Indirectly held subsidiaries | 4,395,961 | Note 1 | - | - | - | - |
| GWBV | GW GmbH | Indirectly held subsidiaries | 307,835 | Note 1 | - | - | - | - |
| GTI | MEMC LLC | Indirectly held subsidiaries | 763,036 | Note 1 | - | - | 3,450 | - |
| GWS | MEMC SpA | Indirectly held subsidiaries | 990,946 | Note 1 | - | | - | - |
| GWS | GWA | Indirectly held subsidiaries | 3,279,349 | Note 1 | - | | 3,280,622 | - |
| GWCC | The Company | Indirectly held subsidiaries | 3,247,814 | Note 1 | - | | 3,248,654 | - |
| GWBV | MEMC SpA | Indirectly held subsidiaries | 1,372,893 | Note 1 | - | | - | - |
| DING-WEI Technology Co., Ltd. | Actron | Indirectly held subsidiaries | 169,159 | 4.01 | - | | 41,733 | - |
| MVI | Actron | Indirectly held subsidiaries | 101,006 | 8.03 | 1,232 | Will be collected in next period | - | - |

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 receivabled as of January 31, 2025.

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

Table 7 (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 | GTI | 1 | Purchase | 1,710,758 | Net 60 days from the end of the month upon issuance of invoice | 2.15% |
| 0 | GlobalWafers | SST | 1 | Purchase | 1,377,170 | Net 60 days from the end of the month upon issuance of invoice | 1.73% |
| 0 | GlobalWafers | GWJ | 1 | Purchase | 6,846,900 | Net 60 to 90 days from the end of the month upon issuance of invoice | 8.59% |
| 0 | GlobalWafers | Topsil A/S | 1 | Purchase | 1,721,216 | Net 30 to 60 days from the end of the month upon issuance of invoice | 2.16% |
| 0 | GlobalWafers | GTI | 1 | Sale | 3,047,996 | Net 90 days from the end of the next month upon issuance of invoice | 3.83% |
| 0 | GlobalWafers | GWJ | 1 | Sale | 2,262,959 | Net 60 to 90 days from the end of the month upon issuance of invoice | 2.84% |
| 0 | GlobalWafers | GWS | 1 | Sale | 7,356,133 | Net 60 days from the end of the month upon issuance invoice | 9.23% |
| 1 | CWT | MEMC Korea | 3 | Sale | 1,413,479 | Net 60 days from the end of the month upon issuance of invoice | 1.77% |
| 2 | GWS | MEMC LLC | 3 | Purchase | 1,632,389 | Net 60 days from the end of the month upon issuance of invoice | 2.05% |
| 2 | GWS | MEMC SpA | 3 | Purchase | 3,192,772 | Net 60 days from the end of the month upon issuance of invoice | 4.01% |
| 2 | GWS | MEMC SpA | 3 | Sale | 8,123,113 | Net 60 days from the end of the month upon issuance of invoice | 10.19% |
| 2 | GWS | MEMC Korea | 3 | Purchase | 1,822,235 | Net 60 days from the end of the month upon issuance of invoice | 2.29% |
| 2 | GWS | MEMC Japan | 3 | Sale | 2,030,092 | Net 60 days from the end of the month upon issuance of invoice | 2.55% |
| 2 | GWS | MEMC Japan | 3 | Purchase | 5,539,242 | Net 60 days from the end of the month upon issuance of invoice | 6.95% |
| 2 | GWS | MEMC Sdn Bhd | 3 | Purchase | 1,366,282 | Net 60 days from the end of the month upon issuance of invoice | 1.71% |
| 2 | GWS | GW GmbH | 3 | Intercompany loan | 4,395,961 | - | 1.62% |
| 2 | GWS | GWA | 3 | Intercompany loan | 3,279,349 | - | 1.21% |
| 2 | GWS | GWA | 3 | Prepayments on purchases | 7,868,400 | - | 2.90% |
| 3 | GWJ | MEMC Japan | 3 | Intercompany loan | 12,321,130 | - | 4.54% |
| 4 | GWCC | GlobalWafers | 2 | Intercompany loan | 3,247,814 | - | 1.20% |

Note 1: The characters of business transactions between parent company and its subsidiaries are coded as follows:
1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relationships with transactions are as follows:
(1) Parent company to its subsidiaries.
(2) Subsidiaries to the parent company.
(3) Transactions between subsidiaries.

Note 3: The ratio of the transaction amount of the consolidated total sales revenue and consolidated total assets are calculated as follows:
(1) For transaction amount accounted for as asset or liability, the ratio is calculated based on the closing balance amount of the consolidated total assets.
(2) For transaction amount accounted for as profit or loss, the ratio is calculated based on the accumulated amount at the end of the financial period of the consolidated total sales revenue.

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

# Sino-American Silicon Products Inc. and Subsidiaries

## Information on investees (Excluding Information on Investees in Mainland China)

## For the period ended December 31, 2024

Table 8 (In Thousands of New Taiwan Dollars)

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of December 31, 2024 | | | Highest Percentage of Ownership during the year | Net income (losses) of investee | Share of profits/losses of investee | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2024 | December 31, 2023 | Shares (thousand) | Percentage of Ownership | Carrying value | | | | |
| SAS | 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 % | 1,124,873 | 100.00 % | 767 | 767 | Subsidiary |
| SAS | GlobalWafers | Taiwan | Semiconductor silicon wafer materials and components manufacturing and trade | 8,957,524 | 8,957,524 | 223,008 | 46.64 % | 41,749,529 | 46.64 % | 9,846,070 | 4,682,938 | Subsidiary |
| SAS | 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 % | 136,303 | 100.00 % | (176,194) | (176,194) | Subsidiary |
| SAS | SAS Sunrise Inc. | Cayman | Investment activities | 794,373 (USD24,500) | 794,373 (USD24,500) | 24,500 | 100.00 % | 85,533 | 100.00 % | (46,898) | (46,898) | Subsidiary |
| SAS | Sunrise PV Three | Taiwan | Electricity activities | 15,000 | 15,000 | 1,500 | 100.00 % | 16,826 | 100.00 % | 1,186 | 1,186 | Subsidiary |
| SAS | SSH | Taiwan | Investment activities | 650,000 | 650,000 | 65,000 | 100.00 % | 463,890 | 100.00 % | (20,065) | (15,701) | Subsidiary |
| SAS | SES | Taiwan | Energy technology service business | 20,000 | 20,000 | 2,000 | 100.00 % | 15,162 | 100.00 % | (3,243) | (3,243) | Subsidiary |
| SAS | Accu Solar Corporation | Taiwan | Solar energy system provider | 112,193 | 112,193 | 7,452 | 24.70 % | 54,843 | 24.70 % | (9,344) | 330 | Associate |
| SAS | TSC | Taiwan | Semiconductor special gas and chemical material manufacturer | 1,021,586 | 962,957 | 42,123 | 28.52 % | 1,203,341 | 28.52 % | 385,593 | 100,620 | Subsidiary Note 2 |
| SAS | Actron | Taiwan | Manufacturing and trading of automotive semiconductors | 2,558,359 | 2,395,995 | 25,933 | 25.56 % | 2,213,224 | 25.56 % | 836,184 | 133,740 | Subsidiary Note 2 |
| SAS | Advanced Wireless | Taiwan | Gallium arsenide wafer manufacturing and trade | 4,512,879 | 4,341,422 | 55,923 | 28.46 % | 2,651,105 | 28.46 % | 520,924 | 112,263 | Subsidiary Note 2 |
| SAS | MVI | Taiwan | Semiconductors | 97 | - | 3 | - | 97 | - % | - | - | Subsidiary |

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of December 31, 2024 | | | Highest Percentage of Ownership during the year | Net income (losses) of investee | Share of profits/losses of investee | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2024 | December 31, 2023 | Shares (thousand) | Percentage of Ownership | Carrying value | | | | |
| SAS | Anneal Energy | Taiwan | Electricity activities | 141,565 | - | 15,960 | 45.01 % | 141,565 | 45.01 % | - | - | Subsidiary |
| SSH | SHE | Taiwan | Energy technology service business | 3,825 | 3,825 | 383 | 51.00 % | 3,281 | 51.00 % | (808) | - | Subsidiary Note 4 |
| SSH | SIE | Taiwan | Energy technology service business | 44,000 | - | 4,400 | 40.00 % | 43,454 | 40.00 % | (1,367) | - | Associate Note 4 |
| SSH | Waferchem Technology Corporation | Taiwan | Semiconductors | 143,633 | - | 14,363 | 51.00 % | 143,633 | 51.00 % | - | - | Subsidiary Note 4 |
| SAS Sunrise Inc | Sulu | Philippines | Electricity activities | 113,920 (USD4,000) | 113,920 (USD4,000) | 420,000 | 40.00 % | 56,023 | 40.00 % | (55,262) | - | Subsidiary Note 4 |
| SAS Sunrise Inc. | AMLED | Philippines | Investment activities | - | - | Note 1 | - | - | - % | - | - | Subsidiary Note 3 and 4 |
| AMLED | Sulu | Philippines | Electricity activities | 297,229 (USD9,065) | 297,229 (USD9,065) | 472,500 | 45.00 % | 63,026 | 45.00 % | (55,262) | - | 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) | - | 100.00 % | 16,247 | 100.00 % | (21,132) | - | 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 % | 3,227,190 | 100.00 % | 104,144 | - | Subsidiary Note 4 |
| GlobalWafers | GWJ | Japan | Manufacturing and trading of silicon wafers | 5,448,015 | 5,448,015 | 128 | 100.00 % | 18,746,077 | 100.00 % | 1,350,434 | - | Subsidiary Note 4 |
| GlobalWafers | GWS | Singapore | Investment activities | 2,207,377 | 2,207,377 | 41,674 | 100.00 % | 37,646,348 | 100.00 % | 3,545,759 | - | Subsidiary Note 4 |
| GlobalWafers | GW GmbH | Germany | Trading | 1,952,235 (EUR 62,525) | 1,952,235 (EUR 62,525) | 48,025 | 100.00 % | (8,395,896) | 100.00 % | (3,507,000) | - | Subsidiary Note 4 |
| GlobalWafers | GWBV | Netherlands | Investment activities | 40,367,464 (USD 1,321,076) | 40,367,464 (USD 1,321,076) | - | 100.00 % | 50,330,391 | 100.00 % | 258,340 | - | Subsidiary Note 4 |
| GlobalWafers | Hongwang | Taiwan | Investment activities | 309,760 | 309,760 | 30,976 | 30.98 % | 920,925 | 30.98 % | 212,838 | - | Subsidiary Note 4 and 6 |

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of December 31, 2024 | | | Highest Percentage of Ownership during the year | Net income (losses) of investee | Share of profits/losses of investee | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2024 | December 31, 2023 | Shares (thousand) | Percentage of Ownership | Carrying value | | | | |
| GlobalWafers | Sunrise PV Four | Taiwan | Electricity activities | 1,045,000 | 1,045,000 | 104,500 | 100.00 % | 1,058,390 | 100.00 % | 10,768 | - | Subsidiary Note 4 |
| GlobalWafers | Sunrise PV Five | Taiwan | Electricity activities | 141,340 | 278,000 | 14,134 | 100.00 % | 136,769 | 100.00 % | (589) | - | Subsidiary Note 4 |
| GlobalWafers | GWH | Taiwan | Investment activities | 250,000 | 250,000 | 25,000 | 100.00 % | 256,034 | 100.00 % | 5,647 | - | Subsidiary Note 4 |
| GlobalWafers | CWT | Taiwan | Manufacturing and trading of optoelectronic wafers and substrate material | 437,924 | 437,924 | 43,836 | 100.00 % | 656,349 | 100.00 % | 507,033 | - | Subsidiary Note 4 |
| GlobalWafers | GWCC | Taiwan | Investment activities | 8,132,250 (USD 250,000) | - | 32,529.0 | 100.00 % | 8,447,520 | 100.00 % | 246,213 | - | Subsidiary Note 4 |
| GWJ | MEMC Japan | Japan | Manufacturing and trading of silicon wafers | 373,413 (JPY 100,000) | 373,413 (JPY 100,000) | 750 | 100.00 % | 2,432,876 | 100.00 % | 84,894 | - | 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 % | 11,614,267 | 100.00 % | 205,988 | - | Subsidiary Note 4 |
| MEMC SpA | MEMC SarL | France | Trading | 1,316 (USD40) | 1,316 (USD40) | 0.5 | 100.00 % | 4,187 | 100.00 % | 650 | - | Subsidiary Note 4 |
| GWBV | MEMC Korea | Korea | Manufacturing and trading of silicon wafers | 11,851,262 (USD384,605) | 11,851,262 (USD384,605) | 25,200 | 100.00 % | 22,698,445 | 100.00 % | 768,041 | - | 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 % | 15,141,195 | 100.00 % | (454,739) | - | 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 % | 5,321 | 100.00 % | 406 | - | 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 % | 2,637,562 | 100.00 % | 52,835 | - | Subsidiary Note 4 |
| CWT | Crytalwise HK | Hong Kong | Investment activities | - (USD47,650) | - (USD48,100) | 47,650 | 100.00 % | 34,199 | 100.00 % | 949 | - | 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 % | 5,372,402 | 100.00 % | (557,938) | - | Subsidiary Note 4 |

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of December 31, 2024 | | | Highest Percentage of Ownership during the year | Net income (losses) of investee | Share of profits/losses of investee | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2024 | December 31, 2023 | Shares (thousand) | Percentage of Ownership | Carrying value | | | | |
| SST | MEMC Sdn Bhd | Malaysia | Research and development, manufacturing and trading of silicon wafers | 1,553,716 (USD 47,315) | 898,016 (USD 27,315) | 89,586 | 100.00 % | 2,042,166 | 100.00 % | 67,337 | - | Subsidiary Note 4 |
| GTI | GWA | United states | Manufacturing and trading of silicon wafers | 31 (USD 1) | 31 (USD 1) | 1 | 100.00 % | 3,131,669 | 100.00 % | (215,793) | - | Subsidiary Note 4 |
| Actron | DING-WEI Technology Co., Ltd. | Taiwan | Manufacture of electronic components and motor parts | 306,900 | 306,900 | 15,000 | 100.00 % | 247,895 | 100.00 % | 46,640 | - | Subsidiary Note 4 |
| Actron | Smooth International Limited Corporation | Samoa | Investment | 363,260 | 363,260 | 12,000 | 100.00 % | 442,639 | 100.00 % | 8,229 | - | Subsidiary Note 4 |
| Smooth International Limited Corporation | Smooth Autocomponent Limited | Hong Kong | Investment | 363,260 | 363,260 | 12,000 | 100.00 % | 442,639 | 100.00 % | 8,229 | - | Subsidiary Note 4 |
| Actron | REC Technology Corporation | Taiwan | Manufacture of electronic components and motor parts | 208,102 | 208,102 | 8,488 | 49.00 % | 100,486 | 49.00 % | 21,248 | - | Subsidiary Note 4 |
| Actron | Hongwang | Taiwan | Investment | 300,000 | 300,000 | 30,000 | 30.00 % | 891,875 | 30.00 % | 212,838 | - | Subsidiary Note 4 and 6 |
| Actron | MVI | Taiwan | Semiconductors | 1,180,191 | 1,180,191 | 46,925 | 29.00 % | 1,851,183 | 29.00 % | 90,849 | - | Subsidiary Note 4 |
| Actron | Bigbest solution, Inc. | Taiwan | Manufacture of motor parts | 245,143 | 245,143 | 19,314 | 28.00 % | 73,492 | 28.00 % | 4,693 | - | Subsidiary Note 4 |
| Actron | Excelliance MOS Corporation | Taiwan | Semiconductors | 1,491,750 | 1,491,750 | 15,000 | 29.00 % | 1,469,367 | 29.00 % | 301,788 | - | Associate Note 4 |
| MVI | DenMOS Technology Inc. | Taiwan | R&D, design, manufacturing and sale of LCD driving ICs and other applicationspecific ICs | 291,820 | 291,820 | 9,114 | 80.00 % | 104,645 | 80.00 % | 2,120 | - | Subsidiary Note 4 |
| MVI | Mou Fu Investment Consultant Ltd. | Taiwan | Leasing, manpower dispatch and various services | 2,313,124 | 2,313,124 | 12,012 | 100.00 % | 111,447 | 100.00 % | 905 | - | Subsidiary Note 4 |

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of December 31, 2024 | | | Highest Percentage of Ownership during the year | Net income (losses) of investee | Share of profits/losses of investee | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2024 | December 31, 2023 | Shares (thousand) | Percentage of Ownership | Carrying value | | | | |
| MVI | Bou-Der Investment, Ltd. | United states | Professional investment | - | 1,264,372 | 6,400 | 47.00 % | - | 47.00 % | 126 | - | Subsidiary Note 4 |
| MVI | Giant Haven Investments Ltd. (BVI) | British Virgin Islands | General investment | 664,061 | 664,061 | 2 | 100.00 % | 79,917 | 100.00 % | 8,511 | - | Subsidiary Note 4 |
| MVI | Integrated Memory Technologies, Inc. | United states | Flash memory design house | 44,753 | 44,753 | 2,500 | 23.00 % | - | 23.00 % | - | - | Associate Note 4 |
| Mou Fu Investment Consultant Ltd. | Bou-Der Investment, Ltd. | Taiwan | Professional investment | - | 1,356,365 | 6,839 | 50.00 % | - | 50.00 % | 126 | - | Subsidiary Note 4 |
| Mou Fu Investment Consultant Ltd. | DenMOS Technology Inc. | Taiwan | R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs | 25,863 | 25,863 | 471 | 4.00 % | 5,563 | 4.00 % | 2,120 | - | Subsidiary Note 4 |
| Giant Haven Investments Ltd. (BVI) | Third Dimension Semiconductor, Inc. | United states | Design of Power IC | 314,640 | 314,640 | 49,183 | 43.00 % | - | 43.00 % | 4,539 | - | 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 December 31, 2024

Table 9 (In Thousands of New Taiwan Dollars)

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

| Name of investee | Main businesses and products | Total amount of paid-in capital | Method of investment | Accumulated outflow of investment from Taiwan as of January 1, 2024 | Investment flows | | Accumulated outflow of investment from Taiwan as of December 31, 2024 | Net income (losses) of the investee | Percentage of ownership | Highest percentage of ownership during the year | Investment income (losses) | 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) | 104,064 | 100.00% | 100.00% | 104,064 | 3,193,324 | - |
| KST | Trading and marketing business | 26,587 | Note 6 | - | - | - | - | 10,901 | 100.00% | 100.00% | 10,901 | 95,899 | - |
| SSKT | Manufacturing and distributing lithium tantalate and lithium niobate wafers | 102,776 | Note 7 | - | - | - | - | (105,941) | 100.00% | 100.00% | (105,941) | 286,971 | - |
| MHTM | Manufacturing and distributing lithium tantalate and lithium niobate wafers | 159,588 | Note 8 | - | - | - | - | (72,900) | 90.00% | 90.00% | (65,610) | (28,127) | - |
| YHTM | Manufacturing and sales of optoelectronic and communication materials | 1,787,164 | Note 9 and 10 | 1,846,602 (USD59,300) | - | 59,823 (USD1,850) | 1,786,779 (USD57,450) | (130) | 100.00% | 100.00% | (130) | 41,571 | - |
| Smooth Auto Parts (Qingdao) Co., Ltd. | Auto parts manufacturing, etc. | (USD12,000) | Note 12 | 363,260 (USD12,000) | - | - | 363,260 (USD12,000) | 8,299 | 100.00% | 100.00% | 8,299 | 442,639 | - |

(2) Limitation on investment in Mainland China

| Company Name | Accumulated Investment in Mainland China as of December 31, 2024 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment |
|---|---|---|---|
| GlobalWafers | 2,479,138(USD79,337) (Note 11) | 3,476,061(USD114,002) (Notes 3 and 11) | 54,618,550 (Note 4) |
| Actron | - (USD12,000) | 365,520(USD12,000) | 4,762,436 (Note 13) |

Note 1: Investments through GSI.

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

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

Note 4: Pursuant to the Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area' dated on August 29, 2008, the total amount of investment shall not exceed 60% of the GlobalWafers' net equity on December 31, 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. Capital reduction $59,823 thousand (USD1,850 thousand) remitted to CWT in June 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$57,608 thousand in the Mainland China and an amount approved by the Department of Investment Review is US$57,838 thousand.

Note 12: Investing in China through a third-party company.

Note 13: The investment amounts authorized by Investment Commission, MOEA:7,937,394 (net equity of Actron ) ×60%=4,762,436.