

Sino-American Silicon Products Inc. and Subsidiaries
Consolidated Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

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

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Representation Letter

The entities that are required to be included in the combined financial statements of Sino-American Silicon Products Inc. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements", as endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements are included in the consolidated financial statements. Consequently, Sino-American Silicon Products Inc. and Subsidiaries do not prepare a separate set of consolidated financial statements of the affiliates.

Company name: Sino-American Silicon Products Inc.
Chairman: Doris Hsu
Date: March 6, 2026



安侯建業聯合會計師事務所

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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, 2025 and 2024, 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, 2025 and 2024, 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

Refer to note 4(15) “Revenue recognition” for accounting policy and note 6(25) “Revenue from contracts with customers” to the consolidated financial statements.



Description of key audit matter:

The Group's revenue primarily relates to the sale of semiconductor and solar-related products. Revenue recognition is dependent on the transfer of control in accordance with the contractual terms agreed with customers. Due to the significance of revenue to the consolidated financial statements, the high transaction volume, and the variety of contractual arrangements across different jurisdictions, the assessment of the appropriate timing of revenue recognition required significant audit attention. Accordingly, revenue recognition was considered to be a key audit matter.

How the matter was addressed in our audit:

Our audit procedures included, among others: evaluating the appropriateness of the Group's revenue recognition policies with reference to applicable accounting standards and underlying sales terms; evaluating the design and testing the operating effectiveness of key internal controls over revenue recognition; performing substantive testing on selected revenue transactions by inspecting customer purchase orders and shipping documentation; and performing cut-off testing on sales transactions recorded around the year-end to assess whether revenue was recognized in the appropriate accounting period.

2. Goodwill impairment assessment

Refer to 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" to the consolidated financial statements.

Description of key audit matter:

The Group recognized goodwill arising from business combinations relating to semiconductor-related businesses. The impairment assessment of goodwill involves significant management judgment, including the identification of cash-generating units, the selection of valuation methodologies, and the determination of key assumptions used in forecasting future cash flows. In addition, the semiconductor industry is subject to ongoing market volatility and regulatory influences, which increase estimation uncertainty. Consequently, the impairment assessment of goodwill was considered to be a key audit matter.

How the matter was addressed in our audit:

Our audit procedures included, among others: evaluating management's identification of cash-generating units; assessing the appropriateness of the valuation methodologies applied in determining recoverable amounts; evaluating the historical accuracy of management's forecasting; testing the mathematical accuracy of the impairment models; assessing the reasonableness of key assumptions used in future cash flow projections, including performing sensitivity analyses on significant assumptions; and evaluating the adequacy of the related disclosures in the consolidated financial statements.

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, 2025 and 2024, 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 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)
March 6, 2026

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 34,745,802	13	54,136,770	20	2100	Short-term borrowings (notes 6(16) and 8)	\$ 22,287,402	8	28,863,280	11
1110	Financial assets at fair value through profit or loss – current (note 6(2))	1,433	-	28,751	-	2105	Short-term notes and bills payable (note 6(15))	3,398,976	1	3,999,248	1
1170	Notes and accounts receivable, net (note 6(5))	13,079,909	5	12,591,069	5	2120	Financial liabilities at fair value through profit or loss – current (note 6(2))	3,705	-	94,142	-
1180	Accounts receivable due from related parties, net (note 7)	9,587	-	564	-	2130	Contract liabilities – current (note 6(24))	8,185,662	3	10,811,513	4
130X	Inventories (note 6(6))	13,905,092	5	13,976,189	5	2170	Notes and accounts payable	6,156,789	2	6,069,275	2
1476	Other financial assets – current (notes 6(1), (13) and 8)	44,900,781	17	19,346,916	7	2180	Accounts payable to related parties (note 7)	37,432	-	9	-
1479	Other current assets (note 6(14))	<u>2,959,423</u>	<u>1</u>	<u>2,723,908</u>	<u>1</u>	2201	Payroll and bonus payable	4,947,376	2	4,737,526	2
		<u>109,602,027</u>	<u>41</u>	<u>102,804,167</u>	<u>38</u>	2216	Dividends payable	1,151,465	-	3,199,272	1
Non-current assets:						2270	Current tax liabilities (note 6(21))	2,156,306	1	2,505,027	1
1513	Financial assets at fair value through profit or loss – non-current (notes 6(2) and 8)	7,734,567	3	6,766,986	3	2280	Convertible bonds, current portion (note 6(18))	790,742	-	-	-
1517	Financial assets at fair value through other comprehensive income – non-current (notes 6(3) and 8)	1,283,004	-	1,145,053	-	2321	Ordinary bonds payable, current portion (note 6(18))	11,898,668	4	-	-
1535	Financial assets at amortized cost – non-current (note 6(4))	6,254,570	2	6,524,215	3	2322	Long-term borrowings, current portion (note 6(17))	1,412,740	1	2,413,766	1
1550	Investments accounted for using equity method (note 6(7))	1,563,506	1	1,567,664	1	2399	Other current liabilities (notes 6(19) and 7)	<u>7,699,432</u>	<u>3</u>	<u>14,629,527</u>	<u>5</u>
1600	Property, plant and equipment (notes 6(10), 7 and 8)	125,716,063	47	137,361,821	51			<u>70,126,695</u>	<u>25</u>	<u>77,322,585</u>	<u>28</u>
1755	Right-of-use assets (note 6(11))	1,308,224	-	1,344,479	-	Non-Current liabilities:					
1780	Intangible assets (note 6(12))	8,236,711	3	5,893,393	2	2500	Financial liabilities at fair value through profit or loss – non-current (note 6(2))	998,169	-	404,230	-
1840	Deferred tax assets (note 6(21))	5,282,420	2	4,066,186	1	2527	Contract liabilities – non-current (notes 6(24) and 9)	16,452,321	6	20,879,312	8
1980	Other financial assets – non-current (notes 6(13) and 8)	364,927	-	231,342	-	2530	Convertible bonds (note 6(18))	1,874,923	1	776,258	-
1990	Other non-current assets (notes 6(14) and (20))	<u>1,615,560</u>	<u>1</u>	<u>3,625,993</u>	<u>1</u>	2531	Ordinary bonds payable (note 6(18))	24,476,317	9	16,890,669	6
		<u>159,359,552</u>	<u>59</u>	<u>168,527,132</u>	<u>62</u>	2532	Exchangeable bonds with warrants (note 6(18))	11,202,879	5	10,256,704	4
						2540	Long-term borrowings (notes 6(17) and 8)	10,847,756	4	14,993,522	6
						2570	Deferred tax liabilities (note 6(21))	7,841,926	3	6,909,689	3
						2640	Net defined benefit liabilities (note 6(20))	1,246,002	1	1,512,147	1
						2670	Other non-current liabilities (notes 6(19) and 7)	<u>5,077,040</u>	<u>3</u>	<u>5,831,658</u>	<u>2</u>
								<u>80,017,333</u>	<u>32</u>	<u>78,454,189</u>	<u>30</u>
								<u>150,144,028</u>	<u>57</u>	<u>155,776,774</u>	<u>58</u>
						Total liabilities					
						Equity (notes 6(22) and 8):					
						3110	Ordinary shares	<u>6,412,217</u>	<u>2</u>	<u>6,412,217</u>	<u>2</u>
						3200	Capital surplus	<u>32,213,106</u>	<u>12</u>	<u>32,671,766</u>	<u>12</u>
						3300	Retained earnings	<u>22,148,553</u>	<u>8</u>	<u>20,318,655</u>	<u>7</u>
						3400	Other equity interest	<u>(6,938,188)</u>	<u>(3)</u>	<u>(6,454,604)</u>	<u>(2)</u>
						3500	Treasury shares	<u>(4,382,100)</u>	<u>(2)</u>	<u>(4,382,100)</u>	<u>(2)</u>
							Total equity attributable to owners of parent	<u>49,453,588</u>	<u>17</u>	<u>48,565,934</u>	<u>17</u>
						36XX	Non-controlling interests (notes 6(9) and (22))	<u>69,363,963</u>	<u>26</u>	<u>66,988,591</u>	<u>25</u>
							Total equity	<u>118,817,551</u>	<u>43</u>	<u>115,554,525</u>	<u>42</u>
							Total liabilities and equity	<u>\$ 268,961,579</u>	<u>100</u>	<u>\$ 271,331,299</u>	<u>100</u>
	Total assets	<u>\$ 268,961,579</u>	<u>100</u>	<u>271,331,299</u>	<u>100</u>						

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(25) and 7)	\$ 78,170,966	100	79,678,547	100
5000	Operating costs (notes 6(6), (20), (26) and 7)	58,600,109	75	55,403,820	70
	Gross profit from operations	19,570,857	25	24,274,727	30
	Operating expenses (notes 6(20), (26) and 7):				
6100	Selling expenses	1,985,364	3	1,666,239	2
6200	Administrative expenses	3,411,347	4	3,110,201	4
6300	Research and development expenses	3,383,009	4	3,385,490	4
6450	Expected credit losses (gains) (note 6(5))	(723)	-	(766)	-
	Total operating expenses	8,778,997	11	8,161,164	10
	Net operating income	10,791,860	14	16,113,563	20
	Non-operating income and expenses:				
7100	Interest income (notes 6(27) and 7)	2,438,751	3	3,542,743	4
7020	Other gains and losses (note 6(27))	(119,055)	-	(3,913,954)	(5)
7050	Finance costs (notes 6(27) and 7)	(1,325,480)	(2)	(1,098,777)	(1)
7060	Share of profit of associates accounted for using equity method (note 6(7))	54,579	-	88,738	-
		1,048,795	1	(1,381,250)	(2)
	Income before income tax	11,840,655	15	14,732,313	18
7950	Less: Income tax expense (note 6(21))	2,558,654	3	3,122,830	4
	Net income	9,282,001	12	11,609,483	14
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(20))	62,930	-	(10,721)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(211,759)	-	(1,204,034)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(21))	(7,591)	-	2,963	-
		(156,420)	-	(1,211,792)	(2)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation	(1,321,409)	(2)	1,255,047	2
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(21))	273,196	-	(250,078)	-
		(1,048,213)	(2)	1,004,969	2
8300	Other comprehensive income (after tax)	(1,204,633)	(2)	(206,823)	-
	Comprehensive income	\$ 8,077,368	10	11,402,660	14
	Net income attributable to:				
	Owners of parent	\$ 4,118,233	5	5,346,259	6
	Non-controlling interests	5,163,768	7	6,263,224	8
		\$ 9,282,001	12	11,609,483	14
	Comprehensive income attributable to:				
	Owners of parent	\$ 3,391,512	4	5,785,349	7
	Non-controlling interests	4,685,856	6	5,617,311	7
		\$ 8,077,368	10	11,402,660	14
	Earnings per share (NT dollars) (note 6(24))				
9750	Basic earnings per share	\$	6.71	\$	9.24
9850	Diluted earnings per share	\$	6.68	\$	9.21

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 years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity interest					Non-controlling interests	Total equity	
	Retained earnings						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others	Total other equity interest	Treasury shares			Total
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings								
Balance at January 1, 2024	\$ 5,862,217	16,955,211	3,395,684	6,188,164	10,180,285	19,764,133	(5,343,697)	(1,109,138)	(4,287)	(6,457,122)	(4,382,100)	31,742,339	50,251,836	81,994,175
Net income for the period	-	-	-	-	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)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(490,048)	490,048	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(5,030,640)	(5,030,640)	-	-	-	-	-	(5,030,640)	(4,779,072)	(9,809,712)
Capital increase by cash	550,000	8,412,535	-	-	-	-	-	-	-	-	-	8,962,535	1,587,622	10,550,157
Cash dividends received by subsidiaries from the parent company	-	138,750	-	-	-	-	-	-	-	-	-	138,750	-	138,750
Changes in ownership interests in subsidiaries	-	7,165,373	-	-	-	-	-	-	768	768	-	7,166,141	14,106,450	21,272,591
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	128,461	128,461
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	241,049	241,049	-	(241,049)	-	(241,049)	-	-	75,983	75,983
Others	-	(103)	-	-	(22)	(22)	-	-	(198,415)	(198,415)	-	(198,540)	-	(198,540)
Balance at December 31, 2024	<u>6,412,217</u>	<u>32,671,766</u>	<u>4,288,719</u>	<u>5,698,116</u>	<u>10,331,820</u>	<u>20,318,655</u>	<u>(4,775,243)</u>	<u>(1,477,427)</u>	<u>(201,934)</u>	<u>(6,454,604)</u>	<u>(4,382,100)</u>	<u>48,565,934</u>	<u>66,988,591</u>	<u>115,554,525</u>
Net income for the period	-	-	-	-	4,118,233	4,118,233	-	-	-	-	-	4,118,233	5,163,768	9,282,001
Other comprehensive income for the period	-	-	-	-	25,839	25,839	(527,397)	(225,163)	-	(752,560)	-	(726,721)	(477,912)	(1,204,633)
Total comprehensive income for the period	-	-	-	-	4,144,072	4,144,072	(527,397)	(225,163)	-	(752,560)	-	3,391,512	4,685,856	8,077,368
Appropriation and distribution of retained earnings:														
Legal reserve	-	-	328,160	-	(328,160)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	4,237,611	(4,237,611)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(2,244,276)	(2,244,276)	-	-	-	-	-	(2,244,276)	(2,844,291)	(5,088,567)
Arising from donated assets received	-	791	-	-	-	-	-	-	-	-	-	791	-	791
Cash dividends from capital surplus	-	(641,222)	-	-	-	-	-	-	-	-	-	(641,222)	-	(641,222)
Cash dividends received by subsidiaries from the parent company	-	102,486	-	-	-	-	-	-	-	-	-	102,486	-	102,486
Difference between the actual purchase price of the subsidiary's shares and their carrying amount	-	(4,830)	-	-	-	-	-	-	-	-	-	(4,830)	-	(4,830)
Changes in equity of subsidiaries and associates accounted for using equity method	-	78,510	-	-	-	-	-	-	-	-	-	78,510	(108,445)	(29,935)
Share-based payments	-	5,605	-	-	-	-	-	-	663	663	-	6,268	24,999	31,267
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	652,593	652,593
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(69,898)	(69,898)	-	69,898	-	69,898	-	-	(35,340)	(35,340)
Others	-	-	-	-	-	-	-	-	198,415	198,415	-	198,415	-	198,415
Balance at December 31, 2025	<u>\$ 6,412,217</u>	<u>32,213,106</u>	<u>4,616,879</u>	<u>9,935,727</u>	<u>7,595,947</u>	<u>22,148,553</u>	<u>(5,302,640)</u>	<u>(1,632,692)</u>	<u>(2,856)</u>	<u>(6,938,188)</u>	<u>(4,382,100)</u>	<u>49,453,588</u>	<u>69,363,963</u>	<u>118,817,551</u>

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Income before income tax	\$ 11,840,655	14,732,313
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	10,807,342	9,838,572
Amortization expense	202,623	185,638
Expected credit loss (gain)	(723)	(766)
Net loss (profit) on financial assets and liabilities measured at fair value through profit or loss	(45,627)	4,728,876
Interest expense	1,325,480	1,098,777
Interest income	(2,438,751)	(3,542,743)
Dividend income	(86,117)	(191,661)
Share-based payment compensation cost	31,267	-
Share of profit of associates accounted for using equity method	(54,579)	(88,738)
Gain on disposal and retirement of property, plant and equipment	(5,624)	(61,263)
Loss on disposal of intangible assets	-	17
Impairment loss (reversal of impairment gain) on non-financial assets	1,544	(21,346)
Inventory write-down loss	89,026	51,007
Reversal of provisions	(588,616)	(387,304)
Gain on lease modification	(11,319)	(3,790)
Total adjustments	<u>9,225,926</u>	<u>11,605,276</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(174,304)	(363,545)
Inventories	32,688	(1,407,414)
Prepayments for purchase of materials	259,330	191,866
Other financial assets	684,182	(1,827,306)
Other operating assets	(229,535)	(275,302)
Contract liabilities	(6,428,756)	(5,167,196)
Notes and accounts payable (including related parties)	(90,186)	75,966
Net defined benefit liabilities	(199,636)	(106,813)
Other operating liabilities	3,604,680	947,848
Total changes in operating assets and liabilities	<u>(2,541,537)</u>	<u>(7,931,896)</u>
Total adjustments	<u>6,684,389</u>	<u>3,673,380</u>
Cash inflow generated from operations	18,525,044	18,405,693
Interest received	2,833,591	3,910,601
Dividends received	86,117	191,661
Interest paid	(2,324,404)	(2,050,940)
Income taxes paid	<u>(3,209,414)</u>	<u>(4,310,777)</u>
Net cash flows generated from operating activities	<u>15,910,934</u>	<u>16,146,238</u>

(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, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	<u>2025</u>	<u>2024</u>
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	\$ (255,207)	(32,599)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	5,361	733,758
Proceeds from disposal of financial assets measured at fair value through profit or loss	126,769	-
Proceeds from capital reduction of financial assets measured at fair value through other comprehensive income	2,845	6,327
Acquisition of financial assets measured at amortized cost	-	(6,524,125)
Acquisition of financial assets measured at fair value through profit or loss	(202,925)	(35,252)
Proceeds from capital reduction of financial assets measured at fair value through profit or loss	18,391	19,421
Acquisition of investments accounted for using equity method	-	(176,325)
Cash dividends received from associates accounted for using the equity method	62,250	61,650
Acquisition of property, plant and equipment, and prepayments of equipment	(33,477,130)	(50,799,912)
Proceeds from disposal of property, plant and equipment	87,916	393,859
Acquisition of intangible assets	(89,485)	(19,227)
Cash (outflows) inflows from business combinations	(2,411,572)	257,798
Decrease (increase) in other financial assets	(8,227,790)	26,646,310
Other investing activities	7,091,895	-
Net cash flows used in investing activities	<u>(37,268,682)</u>	<u>(29,468,317)</u>
Cash flows from financing activities:		
Decrease in short-term borrowings	(6,566,381)	(2,947,882)
Increase (decrease) in short-term notes and bills payable	(608,174)	3,999,248
Proceeds from issuance of bonds	21,272,030	16,663,844
Repayments of bonds	-	(14,037,022)
Proceeds from long-term borrowings	8,596,325	14,254,799
Repayments of long-term borrowings	(13,424,596)	(3,369,280)
Increase in guarantee deposits	94,102	-
Decrease in guarantee deposits	-	(129,936)
Repayments of lease liabilities	(227,872)	(232,193)
Cash dividends paid	(7,777,596)	(5,587,836)
Capital increase by cash	-	8,962,535
Change in non-controlling interests	-	15,965,446
Other financing activities	794	558
Net cash flows generated from financing activities	<u>1,358,632</u>	<u>33,542,281</u>
Effect of exchange rate changes on cash and cash equivalents	<u>608,148</u>	<u>3,089,065</u>
Increase (decrease) in cash and cash equivalents	(19,390,968)	23,309,267
Cash and cash equivalents at beginning of period	<u>54,136,770</u>	<u>30,827,503</u>
Cash and cash equivalents at end of period	<u>\$ 34,745,802</u>	<u>54,136,770</u>

See accompanying notes to consolidated financial statements.

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

Sino-American Silicon Products Inc. and subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

1. Company history

Sino-American Silicon Products Inc. (“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 ordinary stocks have been officially listed and traded on Taipei Exchange (“TPEX”) since March 2001.

On May 9, 2025, the Company's Board of Directors resolved to spin off, through a carve-out spin-off, the Company's solar cell business and solar power plant business (including related assets, liabilities, and operations) to Sustainable Sunrise Co., Ltd. (“SUN”) and Susen Green Energy Co., Ltd. (“SGE”), both of which are wholly owned subsidiaries of the Company. SUN and SGE will issue new shares to the Company as consideration. The effective date of the spin-off for both entities is July 1, 2025.

2. Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on March 6, 2026.

3. New standards, amendments and interpretations adopted

- (1) The impact of the International Financial Reporting Standards (“IFRS”) Endorsed by the Financial Supervisory Commission, R.O.C. (the “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, 2025:

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (2) The impact of IFRS Accounting Standards endorsed 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, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”

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

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
 - Annual Improvements to IFRS Accounting Standards
 - Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”
- (3) The impact of IFRS Accounting Standards 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:

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. 	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
	<ul style="list-style-type: none"> ● 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. 	

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 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

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

Except 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;

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

- (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, limited 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 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 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 Group will attribute it to the owners of the parent.

When 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 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.

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

B. List of subsidiaries in the consolidated financial statements

Name of Investor	Name of subsidiary	Business	Percentage of Ownership		Note
			December 31, 2025	December 31, 2024	
The Company	Sino Silicon Technology Inc. (SSTI)	Investment and triangular trade center with subsidiaries in China	100%	100%	
The Company	GlobalWafers Co., Ltd. (GlobalWafers)	Manufacturing and trading of semiconductor silicon materials and components	46.64%	46.64%	Note 7
The Company	Aleo Solar GmbH (Aleo)	Solar cell manufacturing and sale and wholesale of electronic materials	100%	100%	
The Company	SAS Sunrise Inc. (SSR)	Investment activities	100%	100%	
The Company	Susen Green Energy Co., Ltd. (SGE)	Electricity activities	88.17%	100%	Notes 3(5) and 12
The Company	SAS Capital Co., Ltd. (SSH)	Investment activities	100%	100%	
The Company	Sustainable Energy Solution Co., Ltd. (SES)	Energy technology service business	-	100%	Note 3(6)
The Company	Taiwan Speciality Chemicals Corporation (TSC)	Semiconductor special gas and chemical materials	28.52%	28.52%	Note 7
The Company	Advanced Wireless Semiconductor Company (AWSC)	Manufacturing and trading of GaAs Wafers	28.46%	28.46%	Note 7
The Company	Actron Technology Corporation (Actron)	Manufacturing and trading of automotive	25.57%	25.56%	Notes 7 and 10
The Company	Mosel Vitekic Inc. (Mosel)	Semiconductor holding company	-	-	Note 6
The Company	Anneal Energy Co., Ltd. (Anneal)	Electricity activities	-	45.01%	Note 3(7)
The Company	Sustainable Sunrise Co., Ltd. (SUN)	Battery Manufacturing Industry	100%	-	Note 3(3)
The Company	EcoFuture Crystal Co., Ltd. (EFC)	Investment activities	100%	-	Note 3(4)
SSR	Sulu Electric Power and Light Inc. (Sulu)	Electricity activities	40%	40%	Note 1
SSR	AMLED International Systems Inc. (AMLED)	Investment activities	-	-	Note 2
AMLED	Sulu	Electricity activities	45%	45%	Note 1
Aleo	Aleo Solar Distribuzione Italia S.r.l (Aleo Italia)	Solar cell manufacturing and sale and wholesale of electronic materials	-	100%	Note 3(2)
SSH	Sustainable Hydropower Energy Co., Ltd. (SHE)	Energy technology service business	51%	51%	
SSH	Waferchem Technology Corporation (WCM)	Semiconductor holding company	50.80%	51%	Notes 6 and 9
SSH	Anjet Corporation (Anjet)	Semiconductor holding company	4.61%	-	Note 8

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

Name of Investor	Name of subsidiary	Business	Percentage of Ownership		Note
			December 31, 2025	December 31, 2024	
SGE	SES	Energy technology service business	100%	-	Note 3(6)
SGE	Anneal	Electricity activities	100%	-	Notes 3(7) and 12
SGE	Rolocate Energy Storage Co., Ltd. (RES)	Energy storage service activities	60%	-	Note 3(8)
SGE	EcoSoar Energy Service Co., Ltd. (EES)	Energy efficiency service activities	60%	-	Note 3(9)
GlobalWafers	Global Semiconductor Inc. (GSI)	Investment activities	100%	100%	
GlobalWafers	GlobalWafers Japan Co., Ltd. (GWJ)	Manufacturing and trading of silicon wafers	100%	100%	
GlobalWafers	GlobalWafers Singapore Pte. Ltd. (GWS)	Investment activities	100%	100%	
GlobalWafers	Sunrise PV Four Co., Ltd. (SPV4)	Electricity activities	100%	100%	
GlobalWafers	Sunrise PV Electric Power Five Co., Ltd. (SPVE5)	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	79.41%	100%	Note 3(11)
GlobalWafers	Hongwang Investment Co., Ltd. (Hongwang)	Investment activities	30.98%	30.98%	Note 4
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 SSTTrading 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%	19.69%	
GWBV	MEMC Electronic Materials, SpA (MEMC SpA)	Manufacturing and trading of silicon wafers	100%	100%	

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

Name of Investor	Name of subsidiary	Business	Percentage of Ownership		Note
			December 31, 2025	December 31, 2024	
MEMC SpA	MEMC Electronic Materials France SarL (MEMC SarL)	Trading	100%	100%	
GWBV	MEMC Korea Company (MEMC Korea)	Manufacturing and trading of silicon wafers	100%	100%	
GWBV	MEMC Ipoh Sdn Bhd (MEMC Ipoh)	Manufacturing and trading of silicon wafers	100%	100%	
GWBV	GlobiTech Incorporated (GTI)	Manufacturing and trading of epitaxial wafers and silicon wafers	100%	100%	
GWBV	Topsil GlobalWafers A/S (Topsil A/S)	Manufacturing and trading of silicon wafers	100%	100%	
Crystalwise (HK)	YHTM	Manufacturing and trading of optoelectronic wafers and substrate material	80.31%	80.31%	
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 MaterialsLtd. (MHTM)	Manufacturing and sales of lithium tantalate and lithium niobate wafers	90%	90%	
MEMC Korea	MKC Capital Co., Ltd. (MKCC)	Investment activities	100%	-	Note 3(10)
MKCC	GWCC	Investment activities	20.59%	-	Note 3(11)
TSC	Hung Jie Technology Corporation (HJT)	Cleaning, maintenance, and refurbishment of semiconductor equipment and componenets	65.22%	-	Note 11
HJT	Huge Matrix International Industrial Co., Ltd. (HMI)	Investment Holding	68.89%	-	
HJT	Nanjing Hongjie Technology Co., Ltd. (NJHJT)	Cleaning, maintenance, and refurbishment of semiconductor equipment and componenets	64.29%	-	
Actron	Ding-Wei Technology Co., Ltd.	Manufacture of electronic components and motor parts	100%	100%	
Actron	Smooth International Limited Corporation	Investment activities	100%	100%	
Smooth International Limited Corporation	Smooth Autocomponent Limited	Investment activities	100%	100%	
Smooth Autocomponent Limited	Smooth Autocomponent (Qingdao) Limited	Manufacture of motor parts	100%	100%	

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

Name of Investor	Name of subsidiary	Business	Percentage of Ownership		Note
			December 31, 2025	December 31, 2024	
Actron	REC Technology Corporation (REC)	Manufacture of motor parts	49%	49%	Note 5
Actron	Bigbest solution, Inc.	Manufacture of motors	28%	28%	Note 5
Actron	Mosel	Semiconductor industry	29%	29%	Note 6
Actron	Hongwang	Investment activities	30%	30%	Note 4
Actron	Anjet	Semiconductor industry	33.11%	-	Notes 5 and 8
Anjet	Taipei ANJET Corporation	Production and sales of electronic components, information software services, and other design	100%	-	Note 8
Anjet	Anjie core Technology (Beijing) Co., Ltd.	Sales of electronic components	100%	-	Note 8
Taipei ANJET Corporation	Anjet Research Lab Co., Ltd.	R&D, and design of electronic components	100%	-	Note 8
Mosel	Giant Haven Investments Ltd. (B.V.I)	Holding company	100%	100%	
Mosel	Mou Fu Investment Consultant Ltd. (Mou Fu)	Leasing, manpower dispatch and various services	-	100%	Note 13
Mosel	Bou-Der Investment, Ltd.	Investment activities	-	47%	Note 3(1)
Mosel	DenMOS Technology Inc.	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs	84%	80%	
Mou Fu	Bou-Der Investment, Ltd.	Investment activities	-	50%	Notes 3(1) and 13
Mou Fu	DenMOS Technology Inc.	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs	-	4%	Note 13

Note 1: Through enforceable agreements entered into with other investors of Sulu, the Group has the ability to direct the relevant financial and operating activities of Sulu. Accordingly, Sulu is classified as a subsidiary.

Note 2: The Group does not hold any ownership interest in AMLED. However, pursuant to the terms of the relevant contractual arrangements, the Group has the power to govern AMLED's financial and operating policies and is entitled to all benefits arising from its operations and net assets. Accordingly, AMLED is classified as a subsidiary of the Group.

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

- (1) Bou-Der Investment, Ltd completed its liquidation on January 14, 2025.
- (2) Aleo Italia completed its liquidation in February 2025.
- (3) SUN was established in April 2025.
- (4) EFC was established in June 2025.
- (5) SPV3 was renamed to SGE in August, 2025.

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

- (6) As part of an organizational restructuring, the Company disposed of its 100% equity interest in its subsidiary, SES, to SGE in August 2025.
- (7) The Company acquired a 3.3% equity interest in Anneal in July 2025 and subsequently disposed of a 48.31% equity interest in its subsidiary, Anneal, to SGE in August 2025.
- (8) RES was established in September 2025.
- (9) EES was established in September 2025.
- (10) MKCC was established in September 2025.
- (11) Based on a resolution approved by MKCC's Board in September 2025, MKCC acquired 20.59% equity interest in GWCC, resulting in MKCC and the Company to collectively hold the entire shares of GWCC.

Note 4: The Group, through Actron and GlobalWafers holds an aggregate equity interest of 60.98% in Hongwang and, accordingly, includes Hongwang as a consolidated entity.

Note 5: The Group is the single largest shareholder of the investee and has the substantive ability to direct and supervise its financial, operating, and personnel policies, thereby possessing the power to direct the investee's relevant activities. Accordingly, the investee is classified as a subsidiary of the Group.

Note 6: The Group has obtained substantive control over the investee and has the substantive ability to direct and supervise its financial, operating, and personnel policies, thereby possessing the power to direct the investee's relevant activities. Accordingly, the investee is classified as a subsidiary of the Group.

Note 7: Although the Group holds less than 50% of the voting shares of the investee, it is the single largest shareholder, and the remaining shareholdings are not significantly concentrated among specific shareholders. Based on historical shareholders' meeting attendance and voting patterns of other shareholders, the Group is able to obtain a majority of the voting rights represented at shareholders' meetings. Accordingly, the Group concludes that it has control over the investee.

Note 8: The Group participated in a capital increase and acquired equity interests in Anjet through its subsidiaries SSH and Actron, becoming the single largest shareholder and obtaining substantive control over Anjet through its ability to direct and supervise Anjet's financial, operating, and personnel policies on July 27, 2025. Accordingly, Anjet is classified as a subsidiary of the Group.

Note 9: The Group acquired a 51% equity interest in WCM on December 31, 2024, and subsequently transferred a 0.2% equity interest in WCM to its shareholders, resulting in a decrease in the Group's ownership interest in September 2025.

Note 10: The Group acquired an additional 0.01% equity interest in Actron through the public market in July 2025.

Note 11: The Group acquired a 65.22% equity interest in HJT on August 5, 2025.

Note 12: SGE acquired the remaining 51.69% equity interest in Anneal through a capital increase and share exchange, with the share exchange base date on November 30, 2025, resulting in a decrease in the Group's ownership interest.

Note 13: For the purpose of integrating group resources, Mosel merged Maofu into Mosel, with Mosel as the surviving entity and Maofu as the dissolved entity, following approval by the Ministry of Economic Affairs in August 2025.

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

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(4) Foreign currencies

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the 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 using exchange rates at the reporting date. Income and expenses of foreign operations are translated using the average exchange rates for the period. Exchange differences arising from the translation of foreign operations 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

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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; Fair value through other comprehensive income (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

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- 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 (FVOCI)

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

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

On initial recognition of an equity investment that is not held for trading, the 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 and are never reclassified to profit or loss.

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, including derivative financial assets. 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 are solely payments of principal and interest

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.

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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.

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

12-month ECL are the portion of ECL 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).

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

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the 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. 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.

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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.

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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 and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, 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 normal 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.

(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.

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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.

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.

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.

(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.

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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: 2~60 years
- (b) Machinery and equipment: 1~30 years
- (c) Other equipment and leased assets: 1~40 years

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 3 to 56 years, 2 to 65 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.

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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.

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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.

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

- (a) goodwill, expertise and trademarks: 19 years
- (b) development costs: 10 years
- (c) software: 1~10 years
- (d) customer relationship and knowledge technology: 10~16.5 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 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 CGU.

An impairment loss is recognized if the carrying amount of an asset or 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 that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(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.

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A. Site restoration

In accordance with the Group's environmental policies and applicable regulatory requirements, provisions are recognized for restoration obligations related to environmental remediation. Related expenses are recognized over the period during which the land is contaminated. In addition, provisions for restoration obligations are recognized for leased land, with the related expenses recognized over the lease term.

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.

C. Carbon fees

Carbon fees levied in accordance with Taiwan's Climate Change Response Act and Regulations Governing the Collection of Carbon Fees are recognized when the annual greenhouse gas emissions are probably to exceed the threshold. The provision for the carbon fee is measured based on the volume of greenhouse gas emissions incurred that exceeds the statutory threshold, using the rate expected to be applied, during the reporting period.

(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 is engaged in the research and development, design, manufacture, and sale of semiconductor silicon wafer materials and related components, varistors, as well as optoelectronic and communication wafer materials.

Revenue is recognized when control of the products is transferred to the customer. Control is considered to transfer when the products have been delivered to the customer, the customer has full discretion over the sales channels and pricing of the products, and there are no remaining unfulfilled obligations that could affect the customer's acceptance of the products.

Delivery is deemed to have occurred when the products are shipped to the specified location, the risks of obsolescence and loss have transferred to the customer, and the customer has accepted the products in accordance with the sales contract. Acceptance is considered complete when acceptance provisions have lapsed or when the Group has objective evidence that all acceptance conditions have been satisfied.

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Accounts receivable are recognized upon delivery of the products, as the Group has a right to an amount of consideration that is unconditional.

(b) Product processing services

The Group provides contract manufacturing and processing services to customers. Revenue from the rendering of services is recognized over time during the financial reporting period in which the services are provided.

For fixed-price contracts, revenue is recognized based on the proportion of services actually performed to date relative to the total services to be provided as of the reporting date.

When there are changes in circumstances, estimates of revenue, costs, and the stage of completion are revised accordingly. The resulting adjustments are recognized in profit or loss in the period in which management becomes aware of and revises such estimates.

Under fixed-price contracts, customers pay fixed amounts in accordance with the agreed payment schedules. When services performed exceed payments received, a contract asset is recognized. Conversely, when payments received exceed services performed, a contract liability is recognized.

For contracts priced based on service hours provided, revenue is recognized in an amount to which the Group has a right to invoice. The Group invoices customers on a monthly basis and is entitled to receive consideration upon issuance of the invoices.

(c) Engineering contract

The Group is engaged in the contracting business for the construction of solar power plants. As the customer controls the assets as they are being constructed, revenue is recognized over time based on the proportion of contract costs incurred to date relative to the estimated total contract costs.

Customers make fixed payments in accordance with the agreed contractual payment schedules. Certain variable consideration is estimated using the expected value method based on accumulated historical experience, while other variable consideration is estimated using the most likely amount method. Revenue is recognized only to the extent that it is highly probable that a significant reversal of cumulative revenue recognized will not occur.

Revenue recognized but not yet billed is recognized as a contract asset. When the Group has an unconditional right to consideration, the contract asset is reclassified to accounts receivable.

When the progress toward complete satisfaction of a performance obligation under a construction contract cannot be reasonably measured, contract revenue is recognized only to the extent of costs incurred that are expected to be recovered.

If the Group expects that the unavoidable costs of fulfilling a construction contract will exceed the economic benefits expected to be received from the contract, a provision for the onerous contract loss is recognized.

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When there are changes in circumstances, estimates of revenue, costs, and the degree of completion are revised accordingly. The resulting effects are recognized in profit or loss in the period in which management becomes aware of and revises such estimates.

(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 recognizes electricity revenue based on the actual volume of electricity sold and the applicable electricity tariff rates.

(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 a deduction from the carrying amount of the related non-current assets 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 in profit or loss 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.

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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 then-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) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(19) 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 recognized except for the following:

- A. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and 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.

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Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, 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.

(20) 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.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

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 acquiree's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRS Accounting Standards endorsed by the FSC.

The Group recognizes the acquisition-date fair value of the contingent consideration as part of the consideration transferred. The cost of the acquisition and measuring goodwill will retrospectively be adjusted when some changes in the fair value of contingent consideration that the Group recognizes have been made after the acquisition date. Measurement period adjustments is the result of additional information that the Group obtained after that date about facts and circumstances that existed at the acquisition date. The measurement period will not exceed one year from the acquisition date. The Group accounts for the changes in the fair value of contingent consideration that are not measurement period adjustments based on the classification of contingent consideration. Contingent consideration classified as equity shall not be remeasured and its subsequent settlement will be accounted for within equity. Others will be measured at fair value at each reporting date and changes in fair value will be recognized in profit or loss.

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(21) 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. Potentially dilutive ordinary shares of the Group include convertible bonds, unvested restricted employee share awards, and employee compensation payable in shares that has not yet been approved by the Board of Directors.

(22) 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, 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

With respect to investments accounted for using the equity method, the Group is not the largest shareholder and is unable to obtain a majority of board seats or a majority of voting rights at shareholders' meetings. Accordingly, the Group determines that it has significant influence, but not control, over these associates.

Although the Group holds less than a majority of the voting shares of Actron, AWSC, and TSC, the Group is the single largest shareholder of these investees. In addition, the shareholdings of other shareholders are highly dispersed or the Group has obtained support from other shareholders. As a result, the Group has the ability to use its power over these investees to affect the amount of returns and therefore concludes that it has control over these investees.

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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 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 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 and disclosures include the use of fair value measurement for financial and non-financial assets and liabilities.

The Group has established relevant internal controls over fair value measurement and periodically reviews significant unobservable inputs and any related adjustments. When inputs used in fair value measurements are derived from external third-party sources, such as brokers or pricing services, the Group evaluates the evidence supporting such inputs provided by the third parties to assess whether the valuation techniques applied and the related fair value hierarchy classification are in compliance with the requirements of IFRS.

The Group strives to use the observable market inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are 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 impact of the transfer is recognized on the reporting date. Please refer to note 6(28) for assumptions used in measuring fair value.

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6. Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 6,010	4,768
Demand deposits	9,222,995	18,027,226
Time deposits	21,049,652	27,776,865
Bond investments with repurchase agreement	448,114	8,327,911
Note investments with repurchase agreement	4,019,031	-
	<u>\$ 34,745,802</u>	<u>54,136,770</u>

As of December 31, 2025 and 2024, the Group considered liquidity and reclassified time deposits to other financial assets— current, amounting to \$6,171,654 thousand and \$6,360,312 thousand, respectively.

On November 28, 2019 and February 21, 2020, The Group 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. The Group 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, 2025 and 2024, the balances of the special accounts were \$1,920,543 thousand and \$3,005,012 thousand recorded in cash and cash equivalents, respectively.

Please refer to note 6(28) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

(2) Financial assets and liabilities at fair value through profit or loss

	December 31, 2025	December 31, 2024
Financial assets measured at fair value through profit or loss		
— current:		
Forward exchange contracts	<u>\$ 1,433</u>	<u>28,751</u>
Financial assets measured at fair value through profit or loss		
— non-current:		
Privately offered funds	\$ 328,267	254,686
Overseas securities held	7,401,100	6,512,300
Embedded derivative in convertible bonds	5,200	-
	<u>\$ 7,734,567</u>	<u>6,766,986</u>

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	December 31, 2025	December 31, 2024
Financial liabilities measured at fair value through profit or loss – current:		
Forward exchange contracts	\$ 3,705	94,142
Financial liabilities designated at fair value through profit or loss – non-current:		
Embedded derivatives of exchangeable bonds with warrants	\$ 998,169	404,230

For the years ended December 31, 2025 and 2024, the dividends of \$80,845 thousand and \$184,993 thousand were recognized from investments in financial assets measured at fair value through profit or loss, respectively.

The Group issued overseas bonds with warrant the shares 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(18) for details.

The Group uses derivative instruments to hedge certain currency risk arising from the Group's operating activities. The Group held the following derivative instruments, which were not qualified for hedge accounting, and accounted them as mandatorily measured at fair value through profit or loss financial assets and held-for-trading financial liabilities as of December 31, 2025 and 2024:

December 31, 2025				
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange buy	USD	30,000	USD to EUR	April 28, 2026
Forward exchange sold	USD	16,160	USD to NTD	January 5, 2026~ January 30, 2026
Forward exchange sold	USD	21,000	USD to EUR	January 26, 2026~ March 26, 2026
December 31, 2024				
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange buy	USD	30,000	USD to EUR	October 29, 2025
Forward exchange sold	USD	227,000	USD to NTD	January 9, 2025~ March 24, 2025
Forward exchange sold	USD	20,300	USD to EUR	February 26, 2025~ March 26, 2025

Please refer to note 6(27) for the amount remeasured at fair value through profit or loss.

The Group's financial assets at fair value through profit or loss were not pledged as collateral.

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

	December 31, 2025	December 31, 2024
Equity investment in foreign entities	\$ 302,733	404,512
Equity investment in domestic entities	980,271	740,541
Total	\$ 1,283,004	1,145,053

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

For the years ended December 31, 2025 and 2024, the dividends of \$5,272 thousand and \$6,668 thousand, respectively, related to equity investments at fair value through other comprehensive income held on the years then ended, were recognized.

Due to the changes in investment strategy for the years ended December 31, 2025 and 2024, the Group disposed domestic equity investments designated to be measured at fair value through other comprehensive gains and losses, at the fair value of \$5,361 thousand and \$1,043,753 thousand, resulting in the accumulated disposal gains of \$328 thousand and \$241,049 thousand, which were reclassified from other equity to retained earnings.

In 2025, the Group increased its ownership in Anjet and assessed that it had obtained control over the company. Accordingly, the previously held equity interest was reclassified as an investment accounted for using the equity method at a fair value of \$239,616 thousand and Anjet was included in the consolidated entities. The cumulative valuation loss of \$70,226 thousand was reclassified from other equity to retained earnings.

For market risk, please refer to note 6(28).

The Group's financial assets at fair value through other comprehensive income were not pledged as collateral.

(4) Financial assets measured at amortized cost

	December 31, 2025	December 31, 2024
Foreign bonds	\$ 6,254,570	6,524,215

The Group invested in foreign bonds, with the face value of US\$199,000 thousand and a coupon rate ranging from 5.15% to 5.18%, as well as the maturity dates from June 13, 2029 to August 29, 2031. The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

The Group's financial assets measured at amortized cost were not pledged as collateral.

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(5) Notes and accounts receivable, net

	December 31, 2025	December 31, 2024
Notes receivable	\$ 691,830	305,612
Account receivables—measured as amortized cost	12,374,497	12,146,354
Account receivables—fair value through profit or loss	26,834	156,684
Less: allowance for doubtful accounts	(13,252)	(17,581)
	\$ 13,079,909	12,591,069

The Group has assessed that a portion of its trade receivables is held within a business model whose objective is not achieved by collecting contractual cash flows nor by selling financial assets; therefore, such trade receivables are measured at fair value through profit or loss.

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

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

	December 31, 2025		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 12,474,847	0%	-
1 to 30 days past due	363,365	0%	433
31 to 60 days past due	61,821	3%	1,710
61 to 90 days past due	12,804	9%	1,111
91 to 120 days past due	109,425	1%	769
121 to 150 days past due	44,458	0%	38
More than 181 days past due	9,191	100%	9,191
Total	\$ 13,075,911		13,252

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	December 31, 2024		
	Gross amount of notes and accounts receivable	Weighted-average loss rate	Credit loss allowance
Current	\$ 11,878,581	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	\$ 12,452,530		17,581

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

	For the years ended December 31,	
	2025	2024
Balance on January 1	\$ 17,581	25,211
Amounts written off	(4,643)	(7,239)
Expected credit loss recognized (reversal of gains)	(723)	(766)
Acquired through business acquisition	1,148	-
Foreign exchange gains (losses)	(111)	375
Balance on December 31	\$ 13,252	17,581

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

The Group entered into separate factoring agreements with different financial institutions to sell its trade receivables. Under the terms of the agreements, losses arising from commercial disputes, such as sales returns or allowances, are borne by the Group, while losses arising from credit risk are borne by the banks. The Group derecognized the above trade receivables because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The amounts receivable from the financial institutions were recognized as "other payables" upon the derecognition of those trade receivables.

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As of December 31, 2025 and 2024, the Group sold its trade receivables without recourse as follows:

<u>Counterparty</u>	<u>Sale amount</u>		<u>Amount available for advance payment</u>		<u>Amount advanced</u>		<u>Annual interest rate on the amount advanced (%)</u>
December 31, 2025							
Citibank	USD	6,128	USD	-	USD	6,128	5.08~5.73
	EUR	8,878	EUR	-	EUR	8,878	3.10~3.35
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

For further credit risk information, please refer to note 6(28).

(6) Inventories

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Finished goods	\$ 3,173,513	3,433,548
Work in progress	4,690,160	4,392,908
Raw materials	6,041,419	6,149,733
	<u>\$ 13,905,092</u>	<u>13,976,189</u>

Components of operating costs were as follows:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Cost of goods sold	\$ 57,938,804	54,815,235
Reversal of impairment loss on property, plant and equipment (note 6 (10))	(79,771)	(21,346)
Write-down of inventories	89,026	51,007
Unallocated fixed manufacturing expense	652,050	558,924
	<u>\$ 58,600,109</u>	<u>55,403,820</u>

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

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(7) Investments accounted for using equity method

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

	December 31, 2025	December 31, 2024
Carrying amount of individually insignificant associates' equity	\$ 1,563,506	1,567,664
	For the years ended December 31, 2025	2024
Attributable to the Group:		
Net income	\$ 54,579	88,738
Other comprehensive income	-	-
Total comprehensive income	\$ 54,579	88,738

The Group's investments accounted for using equity method were not pledged as collateral.

(8) Business combination

A. Acquisition of subsidiary – Anjet

On July 27, 2025, in order to support long-term business development and to further enhance the benefits of vertical integration within the supply chain, the Group acquired control over the investee by participating in a cash capital increase and acquiring shares from existing shareholders, together with its previously held shares, resulting in an aggregate ownership interest of 37.72%.

From the acquisition date to December 31, 2025, Anjet contributed revenue and net profit to the Group of \$2,898 thousand and \$86,848 thousand, respectively. Had the acquisition occurred on January 1, 2025, management estimates that the Group's revenue and net loss for the period would have been \$5,964 thousand and \$152,298 thousand, respectively. In determining these amounts, management assumed that the acquisition had occurred on January 1, 2025 and that the provisional fair value adjustments recognized as of the acquisition date would have been the same.

The major classes of consideration transferred, the assets acquired and liabilities assumed as of the acquisition date, and the goodwill recognized are set out below:

(a) Major classes of consideration transferred at fair value on the acquisition date

	Amount
Cash	\$ 141,349
Prepayments for Investments	65,050
Financial assets measured at fair value through other comprehensive income (note 6(3))	239,616
	\$ 446,015

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(b) Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets acquired and liabilities assumed as of the acquisition date were determined on a provisional basis, and are summarized as follows:

Cash and cash equivalents	\$ 94,165
Financial assets measured at fair value through other comprehensive income	22,231
Inventories	6,409
Other current assets	14,691
Other non-current assets	152,963
Other current liabilities	(12,525)
Other non-current liabilities	<u>(7,027)</u>
Fair value of identifiable net assets acquired	<u><u>\$ 270,907</u></u>

(c) Goodwill

Goodwill recognized from the acquisition is calculated as follows:

Consideration transferred	\$ 446,015
Non-controlling interests (measured at the proportionate share of identifiable net assets)	168,733
Less: Fair value of identifiable net assets acquired	<u>(270,907)</u>
Goodwill recognized	<u><u>\$ 343,841</u></u>

B. Acquisition of Subsidiary – HJT

On August 5, 2025, the Group acquired control over HJT through the acquisition of a 65.22% equity interest. HJT is principally engaged in the cleaning, maintenance, and regeneration of semiconductor equipment and components.

From the acquisition date to December 31, 2025, HJT contributed revenue and net profit to the Group of \$941,771 thousand and \$257,764 thousand, respectively. Had the acquisition occurred on January 1, 2025, management estimates that the Group's revenue and net profit for the period would have been \$1,178,063 thousand and \$321,008 thousand, respectively. In determining these amounts, management assumed that the acquisition had occurred on January 1, 2025 and that the provisional fair value adjustments recognized as of the acquisition date would have been the same.

The major classes of consideration transferred, the assets acquired and liabilities assumed as of the acquisition date, and the goodwill recognized are set out below:

(a) Major classes of consideration transferred at fair value on the acquisition date

	<u>Amount</u>
Cash	<u><u>\$ 2,995,697</u></u>

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(b) Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets acquired and liabilities assumed as of the acquisition date are summarized as follows:

Cash and cash equivalent	\$ 835,756
Accounts receivable	316,348
Inventories	41,906
Other current assets	13,191
Property, plant and equipment	689,965
Other non-current assets	102,451
Accounts payable	(77,651)
Long-term borrowings	(173,219)
Other current liabilities	(274,862)
Other non-current liabilities	<u>(71,002)</u>
Fair value of identifiable net assets acquired	<u><u>\$ 1,402,883</u></u>

(c) Goodwill

Goodwill recognized from the acquisition is calculated as follows:

Consideration transferred	\$ 2,995,697
Non-controlling interests (measured at the proportionate share of identifiable net assets)	648,311
Less: Fair value of identifiable net assets acquired	<u>(1,402,883)</u>
Goodwill recognized	<u><u>\$ 2,241,125</u></u>

C. Acquisition of subsidiary – Anneal

On December 6, 2024, the Group acquired control over Anneal through the acquisition of a 45.01% equity interest. Anneal is principally engaged in the provision of green electricity management services. Through the acquisition of Anneal, the Group aims to integrate resources on both the electricity procurement and sales sides, expand sources of green electricity procurement and sales channels, and enhance the Group’s overall competitiveness in the green electricity market.

The consideration transferred and the fair values of the assets acquired and liabilities assumed as of the acquisition date are set out below:

(a) Major classes of consideration transferred at fair value on the acquisition date

	<u>Amount</u>
Cash	<u><u>\$ 141,565</u></u>

Sino-American Silicon Products Inc. and subsidiaries
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(b) Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets acquired and liabilities assumed as of the acquisition date are summarized as follows:

Cash and cash equivalent	\$	130,262
Accounts receivable		33,787
Other assets		30,388
Accounts payable		(27,547)
Long-term borrowings		(9,500)
Other liabilities		<u>(2,275)</u>
Fair value of identifiable net assets acquired	\$	<u><u>155,115</u></u>

(c) Goodwill

Goodwill recognized from the acquisition is calculated as follows:

Consideration transferred	\$	141,565
Fair value of non-controlling interests		172,954
Less: Fair value of identifiable net assets acquired		<u>(155,115)</u>
Goodwill recognized	\$	<u><u>159,404</u></u>

D. Acquisition of subsidiary – WCM

On December 31, 2024, the Group acquired control over Crystalization Technology through the acquisition of a 51% equity interest. Crystalization Technology is a supplier of semiconductor packaging materials. Through the acquisition, the Group expanded its presence in the semiconductor sector and enhanced overall operational synergies.

The major classes of consideration transferred, the assets acquired and liabilities assumed as of the acquisition date, and the goodwill recognized are set out below:

(a) Major classes of consideration transferred at fair value on the acquisition date

		Amount
Cash	\$	<u><u>143,633</u></u>

Sino-American Silicon Products Inc. and subsidiaries
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(b) Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets acquired and liabilities assumed as of the acquisition date are summarized as follows:

Cash and cash equivalent	\$	102,583
Accounts receivable, net		2,683
Inventories		12,230
Other current assets		55,050
Property, plant and equipment		18,573
Other non-current assets		53,340
Notes and accounts payable		(2,700)
Other current liabilities		(5,310)
Other non-current liabilities		(16,981)
Fair value of identifiable net assets acquired	\$	<u>219,468</u>

(c) Goodwill

Goodwill recognized from the acquisition is calculated as follows:

Consideration transferred	\$	143,633
Non-controlling interests (measured at the proportionate share of identifiable net assets)		75,835
Less: Fair value of identifiable net assets acquired		(219,468)
Goodwill recognized	\$	<u>-</u>

(9) Material non-controlling interests of subsidiaries

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

<u>Name of subsidiary</u>	<u>Main business place / company registered country</u>	<u>% of ownership interests under non-controlling interests as well as the voting rights</u>	
		<u>December 31, 2025</u>	<u>December 31, 2024</u>
GlobalWafers	Taiwan	53.36 %	53.36 %
Actron	Taiwan	74.43 %	74.44 %
AWSC	Taiwan	71.54 %	71.54 %
TSC	Taiwan	71.48 %	71.48 %

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.

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A. The following summarizes the financial information of GlobalWafers:

	December 31, 2025	December 31, 2024
Current assets	\$ 86,629,456	80,491,722
Non-current assets	131,713,361	144,088,849
Current liabilities	(54,108,725)	(65,064,566)
Non-current liabilities	(70,939,034)	(68,488,214)
Net assets	\$ 93,295,058	91,027,791
Net assets attributable to non-controlling interests	\$ 49,782,243	48,572,429
	For the years ended December 31,	
	2025	2024
Operating revenue	\$ 60,597,938	62,626,004
Net income	\$ 7,311,661	9,838,780
Other comprehensive income	(1,219,488)	493,595
Total comprehensive income	\$ 6,092,173	10,332,375
Net income attributable to non-controlling interests	\$ 3,901,502	5,249,973
Comprehensive income attributable to non-controlling interests	\$ 3,250,784	5,513,355
Net cash flows from operating activities	\$ 12,744,715	15,041,426
Net cash flows from investing activities	(34,049,115)	(29,619,872)
Net cash flows from financing activities	1,303,347	25,740,475
Effects of changes in foreign exchange rates	555,872	1,602,717
Net (decrease) increase in cash and cash equivalents	\$ (19,445,181)	12,764,746
Dividends paid to non-controlling interests	\$ 2,040,847	4,081,772

B. The following summarizes the financial information of Actron

	December 31, 2025	December 31, 2024
Current assets	\$ 4,928,275	5,121,345
Non-current assets	10,823,351	10,508,438
Current liabilities	(4,327,049)	(2,964,508)
Non-current liabilities	(1,440,257)	(2,730,965)
Net assets	\$ 9,984,320	9,934,310
Net assets attributable to non-controlling interests	\$ 7,431,329	7,395,100

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	For the years ended December 31,	
	2025	2024
Operating revenue	\$ 8,105,965	7,582,182
Net income	\$ 573,787	897,429
Other comprehensive income	(287,905)	(584,735)
Total comprehensive income	\$ 285,882	312,694
Net income attributable to non-controlling interests	\$ 427,070	668,046
Comprehensive income attributable to non-controlling interests	\$ 212,782	232,769
Net cash flows from operating activities	\$ 1,414,774	944,531
Net cash flows from investing activities	(582,954)	(1,186,302)
Net cash flows from financing activities	(519,518)	(256,877)
Effects of changes in foreign exchange rates	17,072	3,629
Net increase (decrease) in cash and cash equivalents	\$ 329,374	(495,019)
Dividends paid to non-controlling interests	\$ 350,278	382,561

C. The following summarizes the financial information of AWSC:

	December 31,	December 31,
	2025	2024
Current assets	\$ 5,569,290	4,222,019
Non-current assets	4,956,165	5,342,115
Current liabilities	(1,509,135)	(774,970)
Non-current liabilities	(783,501)	(982,639)
Net assets	\$ 8,232,819	7,806,525
Net assets attributable to non-controlling interests	\$ 5,889,759	5,584,788

	For the years ended December 31,	
	2025	2024
Operating revenue	4,116,532	4,455,584
Net income	\$ 660,148	520,924
Total comprehensive income	\$ 660,148	520,924
Net income attributable to non-controlling interests	\$ 472,270	372,669
Comprehensive income attributable to non-controlling interests	\$ 472,270	372,669
Net cash flows from operating activities	\$ 1,307,989	1,248,674
Net cash flows from investing activities	(707,509)	(820,700)
Net cash flows from financing activities	23,764	419,071
Net increase in cash and cash equivalents	\$ 624,244	847,045
Dividends paid to non-controlling interests	\$ 167,306	141,697

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D. The following summarizes the financial information of TSC

	December 31, 2025	December 31, 2024
Current assets	\$ 2,740,324	2,034,149
Non-current assets	4,475,579	1,351,246
Current liabilities	(637,340)	(153,120)
Non-current liabilities	(2,073,998)	(107)
Net assets	\$ 4,504,565	3,232,168
Net assets attributable to non-controlling interests	\$ 3,219,863	2,310,354
	For the years ended December 31,	
	2025	2024
Operating revenue	\$ 1,991,499	873,964
Net income	\$ 734,038	385,593
Other comprehensive income	34,603	-
Total comprehensive income	\$ 768,641	385,593
Net income attributable to non-controlling interests	\$ 524,690	275,622
Comprehensive income attributable to non-controlling interests	\$ 549,425	275,622
Net cash flows from operating activities	\$ 946,942	528,886
Net cash flows from investing activities	(1,375,849)	(1,045,880)
Net cash flows from financing activities	1,685,548	1,087,814
Effects of changes in foreign exchange rates	29,505	-
Net increase in cash and cash equivalents	\$ 1,286,146	570,820
Dividends paid to non-controlling interests	\$ 211,116	96,646

(10) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost						
Balance at January 1, 2025	\$ 5,845,320	41,109,241	84,757,538	13,179,245	69,731,433	214,622,777
Acquisition through business combination	164,972	348,385	178,991	408,318	26,025	1,126,691
Additions	-	87,605	1,000,324	653,670	1,701,935	3,443,534
Disposals	-	(65,181)	(1,369,716)	(320,246)	(10,949)	(1,766,092)
Reclassification and transfer	903,327	3,188,343	11,894,211	(158,053)	(20,797,016)	(4,969,188)
Effect of changes in exchange rates	(32,347)	(785,507)	972,470	(223,767)	(1,350,338)	(1,419,489)
Balance at December 31, 2025	\$ 6,881,272	43,882,886	97,433,818	13,539,167	49,301,090	211,038,233

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	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Construction in progress and equipment awaiting inspection</u>	<u>Total</u>
Balance at January 1, 2024	\$ 5,804,320	32,112,614	77,638,895	13,008,662	34,760,600	163,325,091
Acquisition through 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	<u>\$ 5,845,320</u>	<u>41,109,241</u>	<u>84,757,538</u>	<u>13,179,245</u>	<u>69,731,433</u>	<u>214,622,777</u>
Depreciation and impairment loss						
Balance at January 1, 2025	\$ 24,476	15,766,324	54,117,393	7,311,271	41,492	77,260,956
Acquisition through business combination	-	66,322	104,838	241,048	-	412,208
Depreciation	-	1,372,474	8,399,237	822,953	-	10,594,664
Impairment loss (reversal of impairment loss)	-	-	1,544	-	-	1,544
Disposals	-	(64,199)	(1,305,402)	(262,811)	-	(1,632,412)
Reclassification and transfer	-	(212)	66,249	21,396	-	87,433
Effect of changes in exchange rates	-	(337,938)	(942,890)	(119,680)	(1,715)	(1,402,223)
Balance at December 31, 2025	<u>\$ 24,476</u>	<u>16,802,771</u>	<u>60,440,969</u>	<u>8,014,177</u>	<u>39,777</u>	<u>85,322,170</u>
Balance at January 1, 2024	\$ 24,476	14,839,645	52,048,814	6,703,633	40,834	73,657,402
Acquisition through business combination	-	-	9,755	2,048	-	11,803
Depreciation	-	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	<u>\$ 24,476</u>	<u>15,766,324</u>	<u>54,117,393</u>	<u>7,311,271</u>	<u>41,492</u>	<u>77,260,956</u>
Carrying amounts						
Balance at December 31, 2025	<u>\$ 6,856,796</u>	<u>27,080,115</u>	<u>36,992,849</u>	<u>5,524,990</u>	<u>49,261,313</u>	<u>125,716,063</u>
Balance at January 1, 2024	<u>\$ 5,779,844</u>	<u>17,272,969</u>	<u>25,590,081</u>	<u>6,305,029</u>	<u>34,719,766</u>	<u>89,667,689</u>
Balance at December 31, 2024	<u>\$ 5,820,844</u>	<u>25,342,917</u>	<u>30,640,145</u>	<u>5,867,974</u>	<u>69,689,941</u>	<u>137,361,821</u>

A. Impairment Loss

In the year of 2025, the Group evaluated certain production equipment and recognized an impairment loss of \$1,544 thousand due to the manufacturing process not meeting the demand and not being able to use the equipment.

B. Collateral

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

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C. As of December 31, 2025 and 2024, expenditures incurred for construction in progress in connection with the Group's capacity expansion plans, which had not yet been completed, amounted to \$49,261,313 thousand and \$69,689,941 thousand, respectively. For the years ended December 31, 2025 and 2024, borrowing costs capitalized by the Group amounted to \$1,684,055 thousand and \$1,415,277 thousand, respectively. The capitalization rates applied ranged from 1.22% to 5.15% in 2025 and from 1.08% to 5.60% in 2024.

(11) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost				
Balance at January 1, 2025	\$ 1,157,276	182,734	620,229	1,960,239
Acquisition through business combination	-	111,603	2,284	113,887
Additions	341,247	40,612	118,227	500,086
Disposals and transfer	(569,319)	(29,578)	(94,319)	(693,216)
Effect of changes in exchange rates	(901)	(5,556)	(15,840)	(22,297)
Balance at December 31, 2025	<u>\$ 928,303</u>	<u>299,815</u>	<u>630,581</u>	<u>1,858,699</u>
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	<u>\$ 1,157,276</u>	<u>182,734</u>	<u>620,229</u>	<u>1,960,239</u>
Depreciation				
Balance at January 1, 2025	\$ 310,653	102,057	203,050	615,760
Acquisition through business combination	-	37,346	1,231	38,577
Depreciation	59,139	51,706	101,833	212,678
Disposals and transfer	(184,540)	(29,396)	(94,319)	(308,255)
Effect of changes in exchange rates	(406)	(3,798)	(4,081)	(8,285)
Balance at December 31, 2025	<u>\$ 184,846</u>	<u>157,915</u>	<u>207,714</u>	<u>550,475</u>
Balance at January 1, 2024	\$ 289,109	200,858	109,833	599,800
Depreciation	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	<u>\$ 310,653</u>	<u>102,057</u>	<u>203,050</u>	<u>615,760</u>
Carrying amount				
Balance at December 31, 2025	<u>\$ 743,457</u>	<u>141,900</u>	<u>422,867</u>	<u>1,308,224</u>
Balance at January 1, 2024	<u>\$ 895,985</u>	<u>116,828</u>	<u>446,861</u>	<u>1,459,674</u>
Balance at December 31, 2024	<u>\$ 846,623</u>	<u>80,677</u>	<u>417,179</u>	<u>1,344,479</u>

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(12) Intangible assets

	<u>Goodwill</u>	<u>Patents, expertise and trademarks</u>	<u>Customer relationship and knowledge technology</u>	<u>Computer software</u>	<u>Total</u>
Cost					
Balance at January 1, 2025	\$ 5,124,925	3,023,696	3,157,815	516,028	11,822,464
Acquisition through business combinations	2,584,966	-	-	55,386	2,640,352
Additions	-	-	-	50,963	50,963
Reclassification	159,404	-	(159,404)	838	838
Disposals	-	-	-	(46,243)	(46,243)
Effect of changes in exchange rates	(122,879)	(5,781)	(6)	19,804	(108,862)
Balance at December 31, 2025	<u>\$ 7,746,416</u>	<u>3,017,915</u>	<u>2,998,405</u>	<u>596,776</u>	<u>14,359,512</u>
Balance at January 1, 2024	\$ 4,936,123	3,013,030	2,985,600	511,319	11,446,072
Acquisition through business combinations	-	358	172,954	994	174,306
Additions	-	-	-	19,227	19,227
Disposals	-	(22)	-	(23,815)	(23,837)
Effect of changes in exchange rates	188,802	10,330	(739)	8,303	206,696
Balance at December 31, 2024	<u>\$ 5,124,925</u>	<u>3,023,696</u>	<u>3,157,815</u>	<u>516,028</u>	<u>11,822,464</u>
Amortization					
Balance at January 1, 2025	\$ 827,077	2,442,251	2,225,185	434,558	5,929,071
Acquisition through business combinations	-	-	-	25,250	25,250
Amortization for the year	-	85,753	69,808	47,062	202,623
Disposals	-	-	-	(46,243)	(46,243)
Reclassification	-	-	-	(173)	(173)
Effect of changes in exchange rates	-	(5,670)	-	17,943	12,273
Balance at December 31, 2025	<u>\$ 827,077</u>	<u>2,522,334</u>	<u>2,294,993</u>	<u>478,397</u>	<u>6,122,801</u>
Balance as of January 1, 2024	\$ 827,077	2,347,027	2,160,952	415,803	5,750,859
Acquisition through business combinations	-	-	-	28	28
Amortization for the year	-	85,881	64,233	35,524	185,638
Disposals	-	(5)	-	(23,815)	(23,820)
Effect of changes in exchange rates	-	9,348	-	7,018	16,366
Balance at December 31, 2024	<u>\$ 827,077</u>	<u>2,442,251</u>	<u>2,225,185</u>	<u>434,558</u>	<u>5,929,071</u>
Carrying amounts:					
Balance at December 31, 2025	<u>\$ 6,919,339</u>	<u>495,581</u>	<u>703,412</u>	<u>118,379</u>	<u>8,236,711</u>
Balance at January 1, 2024	<u>\$ 4,109,046</u>	<u>666,003</u>	<u>824,648</u>	<u>95,516</u>	<u>5,695,213</u>
Balance at December 31, 2024	<u>\$ 4,297,848</u>	<u>581,445</u>	<u>932,630</u>	<u>81,470</u>	<u>5,893,393</u>

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A. Impairment testing of intangible assets (including goodwill)

As of December 31, 2025 and 2024, goodwill arising from business combinations has been allocated to the following CGUs or groups of CGUs that are expected to benefit from the synergies of the combinations:

	December 31, 2025	December 31, 2024
Semiconductor business unit	\$ 4,739,150	2,620,903
Other CGUs allocated with non-material goodwill	2,180,189	1,676,945
	<u>\$ 6,919,339</u>	<u>4,297,848</u>

Based on the results of the goodwill impairment tests performed for each CGU, the Group recognized no impairment losses for the years ended December 31, 2025 and 2024. The recoverable amounts of the CGUs to which goodwill has been allocated were determined based on value in use. The key assumptions used in the impairment tests related to the semiconductor business unit are as follows:

	December 31, 2025	December 31, 2024
Discount rate	5.71%~10.69%	5.2%~5.61%
Growth rate	0%~2.32%	0%~2.48%

The discount rates represent pre-tax rates determined based on the ten-year government bond yields denominated in the same currency as the cash flows, adjusted for a risk premium to reflect the incremental risks generally associated with equity investments and the CGU-specific systematic risks.

Cash flow projections are based on management-approved five-year financial budgets.

B. Collateral

The Group's intangible assets were not pledged as collateral.

(13) Other financial assets – current and non-current

	December 31, 2025	December 31, 2024
Other receivables	\$ 21,164,809	2,000,845
Restricted assets	17,272,471	10,107,577
Time deposits with original maturity of more than three months	6,171,654	6,360,312
Other	656,774	1,109,524
	<u>\$ 45,265,708</u>	<u>19,578,258</u>
Current	<u>\$ 44,900,781</u>	<u>19,346,916</u>
Non-current	<u>\$ 364,927</u>	<u>231,342</u>

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The Group applied for the Advanced Manufacturing Investment Credit from the U.S. Department of the Treasury in 2025, with the related amount recognized as other receivables.

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

(14) Other assets – current and non-current

	December 31, 2025	December 31, 2024
Prepayment for materials	\$ 619,696	850,058
Refundable and creditable taxes	1,538,730	1,659,724
Prepayments for equipment – non-current	1,251,293	2,906,806
Other	1,165,264	933,313
	<u>\$ 4,574,983</u>	<u>6,349,901</u>
Current	<u>\$ 2,959,423</u>	<u>2,723,908</u>
Non-current	<u>\$ 1,615,560</u>	<u>3,625,993</u>

(15) Short-term notes and bills payable

	December 31, 2025	December 31, 2024
Commercial paper payable	\$ 3,400,000	4,000,000
Less: discount	(1,024)	(752)
	<u>\$ 3,398,976</u>	<u>3,999,248</u>
Range of interest rates	<u>1.70%~1.74%</u>	<u>1.80%~1.878%</u>

The Group's short-term notes and bills payable were not pledged as collateral.

(16) Short-term borrowings

	December 31, 2025	December 31, 2024
Unsecured bank loans	\$ 4,728,307	28,466,380
Secured bank loans	17,559,095	396,900
	<u>\$ 22,287,402</u>	<u>28,863,280</u>
Range of interest rates	<u>1.6%~4.79%</u>	<u>0.5%~5.3%</u>

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

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(17) Long-term borrowings

The details of long-term borrowings were as follows:

	December 31, 2025		
	Interest	Maturity	Amount
Unsecured bank loans	0.1%~2.43%	2026.01~2029.08	\$ 6,122,530
Secured bank loans	1.475%~1.675%	2032	141,889
Commercial paper payable	1.53%~1.65%	2026.01	6,000,000
Less: discount			(3,923)
Less: current portion			(1,412,740)
			\$ 10,847,756
	December 31, 2024		
	Interest	Maturity	Amount
Unsecured bank loans	0.10%~5.23%	2026.1~2029.12	\$ 7,311,499
Secured bank loans	1.73%~5.1541%	2025.05~2029.01	10,095,789
Less: current portion			(2,413,766)
			\$ 14,993,522

On September 26, 2025, the the Group entered into an agreement with a finance company for the issuance of 3-year unsecured commercial paper. Each issuance tranche has a maturity of no more than 90 days and is reissued on a revolving basis upon maturity, bearing an annual interest rate of 1.53%~1.65%.

On August 15, 2025, the Accounting Research and Development Foundation issued a Q&A which clarified that, as the revolving commercial paper issued by the entity does not have the right, at the end of the reporting period, to defer settlement of the liability for at least twelve months after the reporting period, such liabilities shall be classified as current liabilities. In response, the FSC issued transitional provisions stating that, entities with revolving commercial paper issued on or after January 1, 2026 shall apply the classification guidance in the Q&A, while those issued on or before December 31, 2025 need not comply. Accordingly, the commercial paper issued by the Company on September 26, 2025 is classified as a non-current liability. For revolving issuances made on or after January 1, 2026, classification will be adjusted and reported as current liabilities in accordance with the above-mentioned guidance.

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

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(18) Bonds payable

The details of bonds payable were as follow:

	December 31, 2025	December 31, 2024
Unsecured ordinary bonds – GlobalWafers	\$ 36,374,985	16,890,669
Exchangeable bonds with warrants – GlobalWafers	11,202,879	10,256,704
Unsecured convertible bonds – Actron	790,742	776,258
Unsecured convertible bonds – TSC	1,874,923	-
Less: current portion	(12,689,410)	-
	\$ 37,554,119	27,923,631

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

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

	First issued of 2025			Second issued of 2025			
	Bonds A	Bonds B	Bonds C	Bonds A	Bonds B	Bonds C	Bonds D
Date	May 28, 2025	May 28, 2025	May 28, 2025	September 24, 2025	September 24, 2025	September 24, 2025	September 24, 2025
Total amount	3,300,000	2,800,000	1,400,000	4,700,000	4,400,000	700,000	2,200,000
Rate	2.01%	2.08%	2.18%	1.86%	1.92%	1.98%	2.02%
Period	Three years	Five years	Ten years	Three years	Five years	Seven years	Ten years
Due date	May 28, 2028	May 28, 2030	May 28, 2035	September 24, 2028	September 24, 2030	September 24, 2032	September 24, 2035

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. 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.

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The details of unsecured convertible bonds were as follows:

	<u>For the years ended December 31, 2024</u>
Embedded derivatives – gain and losses of re-measurement of calls and put options based on fair value (recorded under other gains and losses)	<u>\$ (55,393)</u>
Interest expense	<u>\$ 24,548</u>

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, the Group may redeem the amount in advance and redeem all or part of the convertible bonds.

Except for the early redemption, repurchases 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.

GlobalWafers redeemed the first unsecured overseas convertible bonds of US\$248,200 thousand, during the years ended December 31, 2024, resulting in the invalid conversion right of \$422,801 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.

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- 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, 2025 and 2024 are summarized below:

The details of the GW GmbH exchangeable bonds with warrants are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total exchangeable bonds with warrants	\$ 12,368,880	11,785,128
Unamortized discount	<u>(1,166,001)</u>	<u>(1,528,424)</u>
Total exchangeable bonds with warrants period-end	<u>\$ 11,202,879</u>	<u>10,256,704</u>
Embedded derivatives options, included in financial liabilities at fair value through profit or loss	<u>\$ 998,169</u>	<u>404,230</u>
	<u>For the years ended December 31,</u>	<u>2025</u>
	<u>2025</u>	<u>2024</u>
Embedded derivatives - gain and losses of re-measurement of options based on fair value (recorded under other gains and losses)	<u>\$ 85,362</u>	<u>1,384,407</u>
Interest expense	<u>\$ 600,629</u>	<u>498,974</u>

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

- (d) Total amount issued: EUR 345,200 thousand (EUR 100 thousand per sheet).
- (e) Issue period: five years
- (f) Maturity date: January 23, 2029
- (g) 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, 2025. 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.

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The Group redeemed the exchangeable bonds with warrants of EUR 10,000 thousand in September 2025.

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

	December 31, 2025	December 31, 2024
Unsecured convertible bonds – Actron	\$ 799,900	799,900
Less: unamortised discount	(9,158)	(23,642)
Less: current portion	(790,742)	-
	\$ -	776,258

On August 9, 2023, Actron issued 8 thousand NTD-denominated unsecured convertible bonds with a face value of \$100 thousand each and an interest rate of 0% at 100.5% of the face value. The principal amount totaled \$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 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 \$210 per share.

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Due to Actron's issuance of new common shares, the conversion price of the first domestic unsecured convertible bonds was adjusted from \$210 to \$196.2 per share, effective from December 31, 2026, 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	<u>36</u>
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%	33,999
Conversion into ordinary shares	<u>(96)</u>
Components of liabilities as of December 31, 2025	<u><u>\$ 790,742</u></u>

E. The details of TSC bonds payable were as follow:

	December 31, 2025
Total outstanding convertible bonds	\$ 2,000,000
Unamortized discount	<u>(125,077)</u>
Convertible bonds balance at period-end	<u><u>\$ 1,874,923</u></u>
Embedded derivatives – call options, included in financial liabilities at fair value through profit or loss	<u><u>\$ 5,200</u></u>
Equity component – conversion options, included in capital surplus – stock options	<u><u>\$ 150,808</u></u>
	<u>2025</u>
Embedded derivative instruments – call right measured at fair value through profit or loss, included in other gains and losses	<u><u>\$ 1,400</u></u>
Interest expense	<u><u>\$ 7,180</u></u>

On August 4, 2025, TSC's Board of Directors resolved to issue the first tranche of unsecured domestic convertible bonds. The issuance was approved and became effective upon registration with the Financial Supervisory Commission, and the bonds were subsequently listed and issued on the Taipei Exchange on November 27, 2025.

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The principal terms of the issuance are summarized as follows:

	Unsecured convertible bonds issued in 2025
Issuance Amount	2,000,000 thousand
Issuance Date	November 27, 2025
Issuance Price	Issued at 101% of face value
Rate	0%
Term of the bonds	114.11.27-117.11.27
Trustee	Yuanta Commercial Bank Co., Ltd.
Redemption right of the convertible bonds	Starting from the day following three months after the issuance date and ending forty days prior to the maturity date, the bonds may be redeemed at an earlier time if the conditions stipulated in the conversion terms are met.
Conversion period of the convertible bonds	Starting from the day following three months after the issuance date and up to the maturity date, except during periods in which share transfers are suspended in accordance with the conversion terms or relevant laws and regulations, bondholders may request the Company to convert the bonds into common shares at any time in accordance with the conversion terms.
Conversion price of the convertible bonds	The conversion price as of December 31, 2025 was \$323.8 per share. If any ex-rights or ex-dividend events occur after the issuance of the bonds, the conversion price shall be adjusted in accordance with the prescribed conversion price adjustment formula.

(19) Lease liabilities

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

	December 31, 2025	December 31, 2024
Current	\$ 205,269	161,756
Non-current	\$ 1,113,327	1,192,943

For the maturity analysis, please refer to note 6(28) "Financial instruments".

The amounts recognized in profit or loss were as follows:

	For the years ended December 31,	
	2025	2024
Interest on lease liabilities	\$ 26,211	25,832
Variable lease payments not included in the measurement of lease liabilities	\$ 10,484	9,738

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	For the years ended December 31,	
	2025	2024
Expenses relating to short-term leases	\$ 51,108	41,794
Expenses relating to leases of low value assets, excluding short term leases of low value assets	\$ 28,597	17,416

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

	For the years ended December 31,	
	2025	2024
Total cash outflow for leases	\$ 318,061	301,141

A. Land and Buildings lease

The 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 leases vehicles and other equipment, with lease terms of 2 to 5 years. In some cases, the 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.

(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, 2025	December 31, 2024
Present value of the defined benefit obligations	\$ (3,279,681)	(3,508,531)
Fair value of plan assets	2,051,507	2,000,322
Net defined benefit liabilities	\$ (1,228,174)	(1,508,209)

The details of the account are as follows:

	December 31, 2025	December 31, 2024
Net defined benefit assets (presented as other assets — non-current)	\$ 17,828	-
Net defined benefit liabilities	(1,246,002)	(1,508,209)
	\$ (1,228,174)	(1,508,209)

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The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

(a) Composition of plan assets

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.

The plan assets of the Group's Korean and U.S. subsidiaries comprise interest-bearing bank time deposits with bearing interest rates ranging from 1.74% to 2.2% and trust funds. The trust funds are allocated among products with varying levels of risk and return, and the investment portfolio includes cash, marketable securities, and income funds.

(b) 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, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Defined benefit obligations at January 1	\$ 3,508,531	3,704,846
Current service costs and interest	376,122	353,281
Remeasurements loss(gain)		
— Actuarial gains and losses arising from experience adjustments	32,791	45,323
— Actuarial gains and losses resulting from changes in demographic adjustments	8,704	(52)
— Actuarial gains and losses resulting from changes in financial adjustments	(80,500)	7,680
Past service credit	14,733	26,101
Reclassification	(200)	-
Effects of changes in exchange rates	(153,087)	(97,245)
Benefits paid	(393,846)	(547,083)
Amount transferred through demerger	797	-
Settlements (loss) gain	(34,364)	15,680
Defined benefit obligations at December 31	<u>\$ 3,279,681</u>	<u>3,508,531</u>

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(c) 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, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets at January 1	\$ 2,000,322	2,095,945
Interest income	69,080	77,518
Remeasurements loss		
—Return on plan assets excluding interest income	29,563	29,625
Contributions paid by the employer	302,180	235,595
Effects of changes in exchange rates	(32,564)	(89,173)
Benefits paid	(295,335)	(364,868)
Settlements (loss) gain	<u>(21,739)</u>	<u>15,680</u>
Fair value of plan assets at December 31	<u><u>\$ 2,051,507</u></u>	<u><u>2,000,322</u></u>

(d) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current service costs	\$ 288,277	258,929
Net interest of net liabilities for defined benefit obligations	18,765	16,834
Past service credit	<u>14,733</u>	<u>26,101</u>
	<u><u>\$ 321,775</u></u>	<u><u>301,864</u></u>
	<u>2025</u>	<u>2024</u>
Operating Costs	\$ 295,110	271,928
Selling expenses	11,146	13,413
Administrative expenses	7,120	7,965
Research and development expenses	<u>8,399</u>	<u>8,558</u>
	<u><u>\$ 321,775</u></u>	<u><u>301,864</u></u>

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(e) Actuarial assumptions

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.25%~4.8%	1.07%~5.08%
Future salary increase rate	2%~5.6%	2%~5.6%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date for 2025 and 2024 is \$166,763 thousand and \$245,250 thousand.

The weighted-average lifetime of the defined benefits plans for the years ended December 31, 2025 and 2024 is 7.4 years to 10.3 years and 6.7 years to 10.5 years.

(f) Sensitivity analysis

When the actuarial assumptions had changed 0.25% as of the December 31, 2025 and 2024, the impact on the present value of the defined benefit obligation would be as follows:

<u>Actuarial assumptions</u>	<u>Impact on defined benefit obligations</u>	
	<u>Increased by 0.25%</u>	<u>Decreased by 0.25%</u>
December 31, 2025		
Discount rate	\$ <u>(57,159)</u>	<u>61,302</u>
Future salary increase rate	\$ <u>43,671</u>	<u>(40,394)</u>
December 31, 2024		
Discount rate	\$ <u>(71,265)</u>	<u>76,425</u>
Future salary increase rate	\$ <u>55,383</u>	<u>(51,329)</u>

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 2025 and 2024.

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B. Defined contribution plans

The Group allocates 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 these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The Group's domestic subsidiaries' pension costs incurred to the defined contribution plan were \$179,065 thousand and \$204,175 thousand for the years ended December 31, 2025 and 2024, 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 recognized the pension costs of \$341,232 thousand and \$321,452 thousand for its overseas subsidiaries in the years of 2025 and 2024, respectively.

(21) Income tax

A. Income tax expense

The components of income tax in the years 2025 and 2024 were as follows

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Current period	\$ 3,457,008	2,975,140
Origination and reversal of temporary differences	<u>(898,354)</u>	<u>147,690</u>
Income tax expense	<u>\$ 2,558,654</u>	<u>3,122,830</u>

The amount of income tax recognized in other comprehensive income for 2025 and 2024 was as follows:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit obligations	\$ (7,450)	220
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	<u>(141)</u>	<u>2,743</u>
	<u>\$ (7,591)</u>	<u>2,963</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on the translation of financial statements of foreign operations	<u>\$ 273,196</u>	<u>(250,078)</u>

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Reconciliations of income tax and income before income tax for 2025 and 2024 are as follows:

	For the years ended December 31,	
	2025	2024
Income before income tax	\$ 11,840,655	14,732,313
Income tax using the Grop's domestic tax rate	\$ 2,791,659	2,946,463
Effect of tax rates in foreign jurisdiction	794,954	792,878
Tax effect of permanent differences	(833,653)	155,444
Investment tax credits	(335,022)	(223,261)
Unrecognized deferred tax and others	(27,179)	(962,391)
Additional tax on undistributed earnings	167,895	413,697
Income tax expense	\$ 2,558,654	3,122,830

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, 2025	December 31, 2024
Tax effect of deductible temporary differences (including carryforward of unused tax losses)	\$ 3,882,575	3,751,250

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, 2025, the unused tax losses for the overseas subsidiaries of the Group that were not recognized as deferred tax assets was \$444,225 thousand.

(b) Unrecognized deferred tax assets

Deferred tax liabilities have not been recognized in respect of the following items:

	December 31, 2025	December 31, 2024
Aggregate amount of temporary differences related to investments in subsidiaries	\$ (4,607,887)	(4,649,556)

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2025 and 2024. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities.

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(c) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

	<u>January 1, 2025</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Effect of changes in exchange rates</u>	<u>December 31, 2025</u>
Assets:					
Write-down of inventories	\$ 359,204	192,420	-	570	552,194
Defined benefit obligations	179,282	(18,347)	(1,412)	(2,993)	156,530
Investment loss from subsidiaries using equity method	10,009	-	-	-	10,009
Expected credit loss of accounts receivable	127,392	10,989	-	10,829	149,210
Depreciation differences of property, plant and equipment	996,436	1,213,475	-	(25,700)	2,184,211
Accrued expense taxation difference	328,793	(193,073)	-	(12,586)	123,134
Unrealized gross profit	243,245	(48,675)	-	135	194,705
Loss deductions	597,122	792,783	-	(795,858)	594,047
Others	1,224,703	(2,915)	185,647	(101,923)	1,305,512
	<u>\$ 4,066,186</u>	<u>1,946,657</u>	<u>184,235</u>	<u>(927,526)</u>	<u>5,269,552</u>
Liabilities:					
Investment profit from subsidiaries using equity method	\$ (4,495,277)	(233,015)	77,715	(21,278)	(4,671,855)
Depreciation differences of property, plant and equipment and others	(2,414,412)	(815,288)	(3,655)	84,389	(3,148,966)
	<u>\$ (6,909,689)</u>	<u>(1,048,303)</u>	<u>74,060</u>	<u>63,111</u>	<u>(7,820,821)</u>
	<u>January 1, 2024</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensiv e income</u>	<u>Effect of changes in exchange rates</u>	<u>December 31, 2024</u>
Assets:					
Write-down of inventories	\$ 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 life 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)	466,389	1,224,703
	<u>\$ 3,652,099</u>	<u>579,550</u>	<u>(85,225)</u>	<u>(80,238)</u>	<u>4,066,186</u>

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	January 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Effect of changes in exchange rates	December 31, 2024
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	<u>(2,171,233)</u>	<u>(243,893)</u>	<u>1,766</u>	<u>(1,052)</u>	<u>(2,414,412)</u>
	<u><u>\$ (6,034,723)</u></u>	<u><u>(727,240)</u></u>	<u><u>(161,890)</u></u>	<u><u>14,164</u></u>	<u><u>(6,909,689)</u></u>

C. Assessment of tax filings

The Company tax returns for the years through 2023 were assessed by the Taipei National Tax Administration.

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 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. (see Note (4))

The Group is subject to the Pillar Two Global tax legislations, as certain jurisdictions in which it operates have already implemented rules such as the Qualified Domestic Minimum Top up Tax, the Income Inclusion Rule, and the Undertaxed Payments Rule. Upon reviewing the effective tax rates in the relevant tax jurisdictions where these rules apply, the Group has appropriately assessed the anticipated top up taxes payable of \$152,353 under the minimum tax regime during the years ended December 31, 2025.

(22) Capital and other equity

As of December 31, 2025 and 2024, the Company's authorized share capital amounted to \$10,000,000 thousand, with a par value of \$10 per share, equivalent to 1,000,000 thousand shares. The authorized share capital includes 200,000 thousand shares reserved for issuance under employee stock options, preferred shares with warrants, or convertible bonds with warrants. The Company's issued and paid-in share capital amounted to \$6,412,217 thousand as of both December 31, 2025 and 2024.

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The reconciliation of the number of shares outstanding for the years ended December 31, 2025 and 2024 was as follows (expressed in thousands of shares):

	Ordinary stock	
	2025	2024
Balance at January 1	641,222	586,222
Capital increase by cash	-	55,000
Balance at December 31	641,222	641,222

A. Issuance of common stock

On August 27, 2024, the Company's Board of Directors resolved to issue 55,000 thousand ordinary shares in the form of Global Depositary Receipts ("GDRs"). The capital increase record date was September 26, 2024, and total proceeds of \$8,962,995 thousand from the issuance were fully received. All relevant statutory registration procedures have been completed.

B. Capital surplus

Details of the Company's capital surplus balances were as follows:

	December 31, 2025	December 31, 2024
Share premium – ordinary shares	\$ 14,966,986	15,608,208
Differences between acquisition or disposal of subsidiaries and carrying amounts	1,441,760	1,446,590
Capital surplus recognized from equity-method investments	14,919,509	14,835,394
Treasury stock transactions	274,550	172,064
Employee stock options and others	610,301	609,510
	\$ 32,213,106	32,671,766

Under the Company Act, capital surplus may be used to offset accumulated losses, and only after such losses have been fully recovered may realized capital surplus be distributed as new shares or cash dividends in proportion to shareholders' existing shareholdings. Realized capital surplus includes share premiums from issuing shares at prices above par value and gains derived from the receipt of donated assets. Pursuant to the Regulations Governing the Offering and Issuance of Securities by Issuers, the total amount of capital surplus capitalized in any year shall not exceed 10% of the issued and paid-in share capital.

In accordance with Article 241 of the Company Act, the Company may distribute all or part of its legal reserve and capital surplus as cash or new shares in proportion to shareholders' existing shareholdings. Cash distributions require approval by at least two-thirds of the directors present at a Board meeting attended by a majority of the directors and shall be reported to shareholders at the shareholders' meeting. Distributions in the form of new shares require approval at a shareholders' meeting.

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On December 12, 2025, the Board of Directors resolved to distribute cash dividends of \$641,222 thousand (\$1.00 per share) for earnings for the first half of 2025 from capital surplus. Relevant information is available on the Market Observation Post System and other publicly accessible sources.

C. Retained earnings

In accordance with the Company's Articles of Incorporation, if there are any proposals for the distribution of earnings or the offsetting of losses for the first half of a fiscal year, such proposals, together with the operating report and financial statements, shall be reviewed by the Audit Committee and submitted to the Board of Directors for resolution prior to the end of the second half of the fiscal year.

Earnings distributions approved pursuant to the foregoing are distributed in cash upon resolution by the Board of Directors. Any distribution in the form of new shares shall be submitted to the shareholders' meeting for approval prior to distribution.

Pursuant to the Company's Articles of Incorporation, where there is profit for a semi-annual accounting period, after payment of taxes and offsetting accumulated losses, 10% of the remaining profit is appropriated as legal reserve, unless the accumulated legal reserve has reached the amount of the Company's issued and paid-in share capital, in which case further appropriation is not required. The remaining balance is appropriated to or reversed from special reserves in accordance with applicable laws and regulations. If there is any remaining balance, together with accumulated unappropriated earnings, the Board of Directors shall propose an earnings distribution plan.

For cash dividends, in accordance with Article 240, paragraph 5 of the Company Act, the Board of Directors is authorized, subject to the attendance of at least two-thirds of the directors and approval by a majority of the directors present, to distribute all or part of the dividends or bonuses in cash and report such distribution at the shareholders' meeting. Distributions in the form of new shares require approval at the shareholders' meeting.

In order to maintain sustainable operations and stable growth in earnings per share, the Company's dividend policy is to distribute no less than 50% of profit after tax for the year, after deducting the special reserve required by law, with cash dividends accounting for not less than 50% of the total dividends distributed.

(a) Legal reserve

In accordance with Article 241 of the Company Act, the Company may distribute all or part of its legal reserve and capital surplus as cash or new shares in proportion to shareholders' existing shareholdings. Cash distributions are authorized by the Board of Directors with the attendance of at least two-thirds of the directors and approval by a majority of those present, and shall be reported to the shareholders' meeting. Distributions in the form of new shares require approval at the shareholders' meeting prior to distribution.

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(b) Special reserve

Upon the Company's initial adoption of International Financial Reporting Standards endorsed by the FSC, the cumulative translation adjustment recognized under equity increased retained earnings by \$161,317 thousand as a result of applying the exemptions under IFRS 1 First-time Adoption of International Financial Reporting Standards. As this amount exceeded the net increase in retained earnings of \$102,349 thousand arising from the transition to IFRSs, the Company appropriated a special reserve of \$102,349 thousand in accordance with FSC regulations, limited to the net increase in retained earnings resulting from the transition.

Such special reserve may be reversed and distributed as retained earnings in proportion to the use, disposal, or reclassification of the related assets. As of December 31, 2025 and 2024, the balance of this special reserve remained unchanged at \$102,349 thousand.

In addition, in accordance with FSC regulations, when the Company distributes distributable earnings, any net decrease in other equity for the current year, net of the balance of special reserve described above, shall be appropriated as additional special reserve from current-year profit or prior-year unappropriated earnings and shall not be distributed. Amounts of accumulated decreases in other equity from prior years shall be appropriated from prior-year unappropriated earnings and shall not be distributed. Subsequently, when such decreases in other equity are reversed, the reversed portion may be distributed as retained earnings.

(c) Earnings distribution

On March 6, 2026, the Company's Board of Directors resolved the appropriation of earnings for the year ended December 31, 2025. Details of dividends distributed to owners of the Company are as follows:

	2025	
	Dividends per share (NT dollar)	Amount
Dividends distributed to ordinary shareholders:		
Interim earnings distribution	\$ -	-
Final earnings distribution	2.50	1,603,054
Total	\$ 2.50	1,603,054

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On February 27, 2025 and December 13, 2024, respectively, the Company's Board of Directors resolved the appropriation of earnings for the year ended December 31, 2024 and for the first half of 2024. On May 10, 2024 and December 15, 2023, respectively, the Board resolved the appropriation of earnings for the year ended December 31, 2023 and for the first half of 2023. Details of dividends distributed to owners of the Company are set out below:

	<u>2024</u>		<u>2023</u>	
	<u>Dividends per share (NT dollar)</u>	<u>Amount</u>	<u>Dividends per share (NT dollar)</u>	<u>Amount</u>
Dividends distributed to ordinary shareholders:				
Interim earnings distribution	\$ 3.00	1,923,665	3.50	2,051,776
Final earnings distribution	<u>3.50</u>	<u>2,244,276</u>	<u>5.30</u>	<u>3,106,975</u>
Total	<u>\$ 6.50</u>	<u>4,167,941</u>	<u>8.80</u>	<u>5,158,751</u>

D. Non-controlling interests

	<u>2025</u>	<u>2024</u>
Balance at beginning of the period	\$ 66,988,591	50,251,836
Share attributable to non-controlling interests:		
Net profit for the year	5,163,768	6,263,224
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	13,263	(1,078,685)
Remeasurements of defined benefit plans	29,641	(3,743)
Exchange differences on translation of foreign operations	(520,816)	436,515
Capital increase by subsidiaries	640	1,587,622
Cash dividends paid by subsidiaries	(2,844,291)	(4,779,072)
Share-based payments by subsidiaries	24,999	14,308
Increase in non-controlling interests	652,593	128,461
Disposal of equity instruments measured at fair value through other comprehensive income	(35,340)	75,983
Adjustments from changes in capital surplus of equity-method subsidiaries and others	<u>(109,085)</u>	<u>14,092,142</u>
Balance at end of the period	<u>\$ 69,363,963</u>	<u>66,988,591</u>

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E. Treasury shares

Hongwang and Actron acquired 25,050 thousand shares and 2,000 thousand shares of the Company's ordinary shares, respectively, as part of their investment strategies. On October 2, 2023, upon the Company obtaining control over Actron, the Company's direct and indirect ownership interest in Hongwang exceeded 50%. Accordingly, the above-mentioned shareholdings are deemed to be treasury shares of the Company. In accordance with the FSC letter No.1090150022, a special reserve was appropriated or reversed in respect of such treasury shares. The Company measured the treasury shares at the market price of \$162 per share as of October 2, 2023, and recognized treasury shares of \$4,382,100 thousand. As of December 31, 2025, the market price per share of the Company's ordinary shares was \$106.5, and Hongwang and Actron held an aggregate of 27,050 thousand shares of the Company's ordinary shares.

Please refer to the note 8 for details on related offsets pledges and guarantees.

(23) Share-based payment

A. Share-based payment arrangements of GlobalWafers and its subsidiaries

GlobalWafers and its subsidiaries issued cash-settled share-based payment arrangements in 2022, with a vesting period of four years. Under the arrangement, employees are entitled to receive cash equivalent to the fair value of the granted stock appreciation rights upon fulfillment of the service conditions. The plan requires that employees must remain in service with the parent company and its subsidiaries during the following vesting periods, From March 31, 2023 to March 31, 2024, From March 31, 2024 to March 31, 2025, From March 31, 2025 to March 31, 2026, and From March 31, 2026 to March 31, 2027.

As of December 31, 2025 and 2024, the stock prices of GlobalWafers and its subsidiaries were \$406 and \$381.5, respectively.

B. The effective share-based payment agreement of Mosel is as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Fair value (NT\$)</u>	<u>Grant quantity</u>	<u>Strike price</u>	<u>Contract period</u>	<u>Vesting condition</u>
Restricted share plan (Note1)	December 11, 2023	\$ 34.65	1,000 thousand shares	10	3 years	(Note 2)
Restricted share plan (Note1)	June 12, 2024	32.25	295 thousand shares	10	3 years	(Note 2)
Restricted share plan (Note1)	June 18, 2025	22.50	205 thousand shares	10	3 years	(Note 2)

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

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

	Number of shares (in thousands)	
	For the years ended December 31,	
	<u>2025</u>	<u>2024</u>
Beginning balance	935	1,000
Granted for the period	205	295
Reacquired and Cancelled for the period	(72)	(60)
Vested for the period	<u>(353)</u>	<u>(300)</u>
Ending balance	<u><u>715</u></u>	<u><u>935</u></u>

C. Employee stock warrant plan of Actron (subsidiary REC)

The Board of Directors of REC approved the issuance of 1,000 thousand units of employee stock warrants on November 4, 2024. Each unit entitles the holder to subscribe for 1 ordinary share of REC. The warrants are granted to employees of REC who meet specific eligibility criteria. Upon grant, the warrants become immediately exercisable in accordance with the applicable warrant regulations. The warrants have a term of five years from the grant date, with an exercise price of \$10 per share. In the event of any changes in Rec's ordinary shares after the issuance, the exercise price will be adjusted in accordance with the prescribed formula.

Information on employee stock warrants is as follows:

	For the years ended December 31,			
	<u>2025</u>		<u>2024</u>	
	<u>Unit (thousand)</u>	<u>Weighted average exercise price (dollars)</u>	<u>Unit (thousand)</u>	<u>Weighted average exercise price (dollars)</u>
Outstanding at January 1	1,000	\$ 10	-	\$ 10
Granted for the period	-	-	1,000.00	-
Forfeited for the period	<u>(6)</u>	-	<u>-</u>	-
Outstanding at December 31	<u><u>994</u></u>		<u><u>1,000</u></u>	
Exercisable at December 31	<u><u>99</u></u>		<u><u>-</u></u>	

The details of the outstanding share options were as follows:

	<u>2025 December 31</u>	<u>2024 December 31</u>
Range of exercise price (dollars)	\$10	\$10
Weighted average of remaining contractual period (years)	3.9 Years	5 Years

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The Company applies the Black-Scholes valuation model to measure the fair value of employee share options. The input assumptions used in the valuation model are as follows:

	2024
	December 31
Stock price at grant date	11.43
Exercise price	10
Expected volatility	36%
Expected life (years)	5 Years
Expected dividend yield	0%
Risk-free interest rate (%)	1.36%~1.46%

D. Employee stock warrant plan of Actron

In December 2022, Actron approved the issuance of 3,000 thousand units of employee stock warrants, each entitling the holder to subscribe for one common share of Actron. The warrants were granted to employees of Actron. Each warrant has a term of six years. Starting from the second anniversary of the issuance date, the warrant holders may exercise a specified portion of their granted warrants in accordance with the vesting schedule. The exercise price was set at 75% of the closing price of Actron's common shares on the issuance date. In the event of any changes in Actron's common shares after the issuance, the exercise price will be adjusted in accordance with the prescribed formula.

Information on employee stock warrants is as follows:

	For the years ended December 31,			
	2025		2024	
	Unit	Weighted	Unit	Weighted
	(thousand)	average	(thousand)	average
		exercise		exercise
		price (NT\$)		price (NT\$)
Outstanding at January 1	2,594	\$ 109.9	2,950	\$ 115.10
Forfeited for the period	(208)	-	(70)	-
Exercised for the period	(64)	109.9	(286.00)	110
Outstanding at December 31	2,322		2,594	
Exercisable at December 31	719		290.00	

The details of the outstanding share options were as follows:

	2025	2024
	December 31	December 31
Range of exercise price (dollars)	\$109.9	\$109.9
Weighted average of remaining contractual period (years)	3 Years	4 Years

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The Company applies the Black-Scholes valuation model to measure the fair value of employee share options. The input assumptions used in the valuation model are as follows:

	2022 December 31
Stock price at grant date	153.50
Exercise price	153.10
Expected volatility	37.42%~42.13%
Expected life (years)	6 Years
Expected dividend yield	0%
Risk-free interest rate (%)	1.07%~1.11%

E. Cash capital increase reserved for employee subscription of TSC

On July 8, 2024, TSC's Board of Directors resolved to issue 9,445 thousand new shares through a cash capital increase, reserving 10% of the shares for preferential subscription by employees according to Article 267 of the Company Act. If employees waive or under-subscribe their shares, the chairman is authorized to negotiate with specific persons to subscribe at the issue price.

Of the shares reserved for employees under Article 267 of the Company Act, it is also actually subscribed for 412 thousand shares at the third quarter of 2024. According to IFRS 2 'Share-based Payment', the fair value of equity instruments granted must be measured at the grant date and a remuneration cost of \$1,978 thousand should be recognized on that grant date.

TSC uses the Black-Scholes option valuation model to estimate the fair value of share-based payments at the grant date. The input values for the model are as follows:

	Cash Capital Increase Reserved for Employee Subscription 2024
Fair value at grant date	4.80
Stock price at grant date	113.95
Number of Grants	412 thousand shares
Issue price	110
Option term (Years)	0.019 Years
Risk-free interest rate (%)	1.2443 %

The amount of compensation cost recognized for the and year December 31, 2025 and 2024, were \$122,617 thousand, \$159,377 thousand, respectively.

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(24) Earnings per Share

A. Basic earnings per share

	For the years ended December 31,	
	2025	2024
Net income attributable to the shareholders of the Company	\$ 4,118,233	5,346,259
Issued ordinary shares at 1 January (in thousands of shares)	641,222	586,222
Effect of treasury stock (in thousands of shares)	(27,050)	(27,050)
Effect of issuing shares through capital increase by cash (in thousands of shares)	-	19,471
Weighted average number of ordinary shares at 31 December (in thousands of shares)	614,172	578,643
Basic earnings per share (dollar)	\$ 6.71	9.24

B. Diluted earnings per share

	For the years ended December 31,	
	2025	2024
Net income attributable to the shareholders of the Company	\$ 4,118,233	5,346,259
Weighted average number of ordinary shares (in thousands of shares) (basic)	614,172	578,643
Effect of dilutive potential ordinary shares (in thousand of shares)	2,080	1,744
Weighted average number of ordinary shares outstanding (in thousands of shares) (after adjustment for the effect of dilutive potential common shares)	616,252	580,387
Diluted earnings per share (dollar)	\$ 6.68	9.21

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(25) Revenue from contracts with customers

A. Details of revenues

	For the years ended December 31,	
	2025	2024
<u>Primary geographical market:</u>		
Taiwan	\$ 17,807,312	17,078,396
Northeast Asia (Japan and Korea)	13,843,288	16,347,266
Asia-other	17,326,423	16,690,136
America	13,392,850	11,728,630
Europe	14,238,967	16,294,565
Other areas	1,562,126	1,539,554
	<u>\$ 78,170,966</u>	<u>79,678,547</u>
<u>Major Product Categories:</u>		
Renewable energy	\$ 3,722,783	3,493,863
Semiconductor wafers	63,387,118	64,950,254
Semiconductor ingot	854,142	1,374,987
Automotive components	8,105,965	7,582,182
Others	2,100,958	2,277,261
	<u>\$ 78,170,966</u>	<u>79,678,547</u>

B. Contract balances

	December 31,	December 31,	January 1,
	2025	2024	2024
Contract liabilities	<u>\$ 24,637,983</u>	<u>31,690,825</u>	<u>35,464,270</u>

Please refer to note6(5) for disclosures regarding notes and accounts receivable and their impairment.

The amount of revenue recognized for the years ended December 31, 2025 and 2024, which was included in the contract liability balance at the beginning of the period, was \$6,693,214 thousand and \$6,106,506 thousand, respectively.

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.

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(26) Remuneration to employees and directors

On May 27, 2025, the Company's shareholders approved amendments to the Company's Articles of Incorporation. Under the amended Articles, if there is profit for the year, the Company shall appropriate 3% to 15% of such profit as employee remuneration, of which no less than 60% shall be allocated to non-managerial employees, and up to 3% as directors' remuneration. Where accumulated losses exist, such losses shall be offset first before any appropriation of employee and directors' remuneration in accordance with the foregoing percentages. The recipients of employee remuneration include eligible controlling and non-controlling employees, with the eligibility criteria to be determined by the Board of Directors.

Prior to the amendment, the Articles of Incorporation stipulated that, if there was profit for the year, 3% to 15% of such profit was appropriated as employee remuneration, to be distributed in the form of shares or cash as resolved by the Board of Directors, with eligible non-controlling employees as recipients. In addition, the Company could appropriate up to 3% of the aforesaid profit as directors' remuneration upon resolution by the Board of Directors. Any appropriation of employee and directors' remuneration was required to be reported to the shareholders' meeting. Where accumulated losses existed, such losses were required to be offset prior to any appropriation.

For the years ended December 31, 2025 and 2024, employee remuneration accrued by the Company amounted to \$186,663 thousand (including remuneration for non-managerial employees) and \$215,360 thousand, respectively, while directors' remuneration accrued amounted to \$19,437 thousand and \$21,500 thousand, respectively. These amounts were estimated based on profit before tax for the relevant period before the appropriation of employee and directors' remuneration, multiplied by the applicable percentages stipulated in the Articles of Incorporation, and were recognized as cost of sales or operating expenses in the respective periods.

Any differences between the actual amounts distributed in the subsequent year and the amounts accrued are treated as changes in accounting estimates and are recognized in profit or loss in the subsequent year. Where employee remuneration is distributed in shares, the number of shares to be issued is determined based on the closing price of the Company's ordinary shares on the trading day immediately preceding the date of the Board of Directors' resolution. Relevant information is available on the Market Observation Post System.

The amounts of employee and directors' remuneration resolved by the Board of Directors for the years ended December 31, 2025 and 2024 were consistent with the amounts accrued in the Company's separate financial statements for those years.

(27) Interest income and financial costs

A. Interest Income

	For the years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 2,129,765	3,338,263
Interest income from financial assets measured at amortized cost	308,986	204,480
	\$ 2,438,751	3,542,743

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B. Other gains and losses

	For the years ended December 31,	
	2025	2024
Foreign exchange gains (losses)	\$ (767,132)	256,603
Gains (Losses) on financial assets (liabilities) at fair value through profit or loss	121,119	(4,663,469)
Gain on disposal of property, plant and equipment	5,624	61,263
Dividend income	86,117	191,661
Rental income	43,947	41,217
Others	391,270	198,771
	<u>\$ (119,055)</u>	<u>(3,913,954)</u>

C. Financial costs

	For the years ended December 31,	
	2025	2024
Interest expense on bank borrowings	\$ (357,117)	(699,295)
Interest expense on bonds	(942,152)	(373,650)
Interest expense on lease liabilities	(26,211)	(25,832)
	<u>\$ (1,325,480)</u>	<u>(1,098,777)</u>

(28) Financial instruments

A. Credit risk

(a) Credit risk exposure

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

(b) Concentration of credit risk

The main customers of the Group are from the 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, 2025 and 2024, 35% and 37%, 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

Please refer to note 6(5) for credit risk exposure of notes and trade receivables.

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B. Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years or more</u>	<u>Over 5 years</u>
December 31, 2025							
Non-derivative financial liabilities							
Short-term borrowings	\$ 22,287,402	(22,448,250)	(14,175,869)	(8,272,381)	-	-	-
Short-term notes and bills payable	3,398,976	(3,401,556)	(3,401,556)	-	-	-	-
Notes and accounts payable (including related parties)	6,194,221	(6,194,221)	(6,072,359)	(121,862)	-	-	-
Payroll and bonus payable	4,947,376	(4,947,376)	(3,542,703)	(1,404,673)	-	-	-
Dividends payable	1,151,465	(1,597,471)	(1,597,449)	(22)	-	-	-
Accrued remuneration of directors (other current liabilities)	97,137	(97,137)	(47,608)	(49,529)	-	-	-
Long-term borrowing (including current portion)	12,260,496	(12,410,293)	(7,081,552)	(384,341)	(3,184,842)	(1,691,402)	(68,156)
Lease liabilities	1,318,596	(1,417,176)	(86,190)	(82,706)	(152,768)	(382,736)	(712,776)
Convertible bonds	2,665,665	(2,799,900)	-	(799,900)	-	(2,000,000)	-
Ordinary bonds	36,374,985	(38,926,670)	(6,781,640)	(5,662,600)	(471,540)	(18,764,620)	(7,246,270)
Exchangeable bonds with warrants	11,202,879	(14,168,785)	(281,257)	(286,032)	(586,876)	(13,014,620)	-
Derivative financial							
Forward exchange contracts:							
Outflows	3,705	(1,640,771)	(1,640,771)	-	-	-	-
Inflows	(1,433)	1,638,499	1,638,499	-	-	-	-
	<u>\$ 101,901,470</u>	<u>(108,411,107)</u>	<u>(43,070,455)</u>	<u>(17,064,046)</u>	<u>(4,396,026)</u>	<u>(35,853,378)</u>	<u>(8,027,202)</u>

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years or more</u>	<u>Over 5 years</u>
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)	-	-	-
Payroll and bonus payable	4,737,526	(4,737,526)	(3,469,933)	(1,267,593)	-	-	-
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)	-	-	-
Long-term borrowing (including current portion)	17,407,288	(18,825,968)	(1,316,308)	(1,207,743)	(12,582,110)	(3,719,807)	-
Lease liabilities	1,354,699	(1,535,128)	(96,942)	(88,337)	(167,087)	(345,713)	(837,049)
Convertible bonds	776,258	(799,900)	-	-	-	(799,900)	-
Ordinary bonds	16,890,669	(17,384,150)	(126,550)	(32,400)	(12,058,950)	(2,578,750)	(2,587,500)
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	-	-	-
	<u>\$ 93,740,258</u>	<u>(99,052,673)</u>	<u>(45,616,858)</u>	<u>(4,802,222)</u>	<u>(25,177,385)</u>	<u>(20,031,659)</u>	<u>(3,424,549)</u>

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

C. Currency risk

(a) Exposure to foreign currency risk

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

December 31, 2025			
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$	533,476	31.43
JPY		11,009,978	0.2008
EUR		270,756	36.9
CNY		161,554	4.496
<u>Non-monetary items</u>			
USD		14,556	31.43
			Note

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December 31, 2025			
	Foreign currency	Exchange rate	NTD
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	451,484	31.43	14,190,129
JPY	15,151,015	0.2008	3,042,324
EUR	41,043	36.9	1,514,484
CNY	35,535	4.496	159,766
<u>Non-monetary items</u>			
USD	37,810	31.43	Note
December 31, 2024			
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary Items</u>			
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
<u>Non-monetary items</u>			
USD	12,048	32.785	Note
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
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
<u>Non-monetary items</u>			
USD	227,000	32.785	Note

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

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(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of foreign exchange gains and losses on cash and cash equivalents, notes and accounts receivable, long-term and short-term borrowings, and notes and accounts payable denominated in foreign currencies. A 1% weakening (or strengthening) of the NTD against the USD, JPY, EUR, and CNY as of December 31, 2025 and 2024 would have increased or decreased net income before income tax by \$107,885 thousand and \$125,602 thousand, respectively, for the years ended December 31, 2025 and 2024. This analysis is based on reasonably possible changes in foreign exchange rates as of the reporting date. It assumes that all other variables remain constant and has been 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, 2025 and 2024, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$(767,132) thousand and \$256,603 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 \$(9,623) thousand and \$70,595 thousand, for the years ended December 31, 2025 and 2024, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's bank deposits and borrowings with variable rates.

E. Other price risk

For the years ended December 31, 2025 and 2024, 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:

<u>Prices of securities at the reporting date</u>	For the years ended December 31,			
	2025		2024	
	Other comprehensive income before tax	Net income before income tax	Other comprehensive income before tax	Net income before income tax
Increasing 5%	\$ 64,150	370,055	57,253	325,615
Decreasing 5%	(64,150)	(370,055)	(57,253)	(325,615)

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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, 2025				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss-current					
Forward exchange contract	\$ <u>1,433</u>	-	<u>1,433</u>	-	<u>1,433</u>
Financial assets at fair value through profit or loss-non-current					
Privately offered fund	\$ 328,267	-	-	328,267	328,267
Overseas securities held	7,401,100	7,401,100	-	-	7,401,100
Embedded derivative in a convertible bond	<u>5,200</u>	-	<u>5,200</u>	-	<u>5,200</u>
	<u>\$ 7,734,567</u>	<u>7,401,100</u>	<u>5,200</u>	<u>328,267</u>	<u>7,734,567</u>
Financial assets at fair value through other comprehensive income					
Domestic and international listed (OTC) stocks	763,411	763,411	-	-	763,411
Non-public offer equity instrument measured at fair value	<u>519,593</u>	-	-	<u>519,593</u>	<u>519,593</u>
	<u>\$ 1,283,004</u>	<u>763,411</u>	<u>-</u>	<u>519,593</u>	<u>1,283,004</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 34,745,802				
Notes and accounts receivable (including related parties)	13,089,496				
Other financial assets—current and non-current	45,265,708				
Foreign bonds	<u>6,254,570</u>				
	<u>\$ 99,355,576</u>				
Financial liabilities at fair value through profit or loss-current					
Forward exchange contract	\$ <u>3,705</u>	-	<u>3,705</u>	-	<u>3,705</u>
Financial liabilities at fair value through profit or loss-non-current					
Embedded derivatives of exchangeable bonds with warrants	<u>998,169</u>	-	<u>998,169</u>	-	<u>998,169</u>

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	December 31, 2024				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at fair value through profit or loss-non-current					
Embedded derivatives of exchangeable bonds with warrants	\$ <u>404,230</u>	-	<u>404,230</u>	-	<u>404,230</u>
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				
Payroll and bonus payable	4,737,526				
Dividends payable	3,199,272				
Accrued remuneration of directors (other current liabilities)	120,639				
Long-term borrowings	17,407,288				
Lease liabilities	1,354,699				
Convertible bonds	776,258				
Ordinary bonds payable	16,890,669				
Exchangeable bonds with warrants	<u>10,256,704</u>				
	<u>\$ 93,674,867</u>				

(b) Valuation technique for financial instruments not measured at fair value

Management of the Group believes that the carrying amounts of financial assets and financial liabilities measured at amortized cost presented in the consolidated financial statements approximate their fair values.

(c) Valuation technique for 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, 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.

For financial instruments held by the Group that are traded in active markets, fair values are determined and presented based on their respective classes and characteristics:

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Financial assets and financial liabilities with standard terms and conditions that are traded in active markets – such as listed (or over-the-counter) equity securities, bills of exchange, and corporate bonds – are measured at fair values determined by reference to quoted market prices.

For financial instruments other than those traded in active markets, fair values are determined using valuation techniques or by reference to prices quoted by counterparties. Valuation techniques include reference to the current fair values of other financial instruments with substantially similar terms and characteristics, discounted cash flow analyses, or other valuation models that incorporate market-observable inputs available at the consolidated balance sheet date (such as reference yield curves published by the Taipei Exchange and average quoted commercial paper rates from Reuters).

For financial instruments held by the Group for which there is no active market, fair values are determined as follows:

The fair values of unquoted equity instruments are estimated using the market comparable companies method. Key assumptions are based on the investee's net asset value per share and earnings multiples derived from the market prices of comparable listed (or over-the-counter) companies, using EV/EBIT. The resulting valuations are adjusted to reflect discounts for lack of marketability associated with such equity instruments.

ii. Derivative financial instruments

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

(d) Reconciliation of Level 3 fair value

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
Balance at January 1, 2025	\$ 254,686	830,400
Addition in investment	74,810	255,207
Recognized in profit or loss	17,162	-
Recognized in other comprehensive income	-	(357,673)
Share Swap	-	(80)
Capital reduction of investment	(18,391)	(2,845)
Effect of changes in exchange rate	-	11,969
Acquisition in business combination	-	(217,385)
Balance at December 31, 2025	<u>\$ 328,267</u>	<u>519,593</u>

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	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	<u>\$ 254,686</u>	<u>830,400</u>

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

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

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

- (f) The valuation technique of privately offered funds is based on net asset value method. For the ended December 31, 2025 and 2024, there was no transfer at fair value level.

(29) Financial risk management

A. Overview

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

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

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

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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.

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(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, 2025 and 2024 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.

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(30) Capital management

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total liabilities	\$ 150,144,028	155,776,774
Less: cash and cash equivalent	<u>(34,745,802)</u>	<u>(54,136,770)</u>
Net debts	<u>\$ 115,398,226</u>	<u>101,640,004</u>
Total equity	<u>\$ 118,817,551</u>	<u>115,554,525</u>
Debt-to-equity ratio	<u>97.12%</u>	<u>87.96%</u>

(31) Cash flow information

The Group's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2025 and 2024 were as follows:

A. Please refer to note 6(17) for acquiring right of use assets by leasing.

B. Reconciliations of liabilities arising from financing activities were as follows:

	<u>January 1, 2025</u>	<u>Cash flows</u>	<u>Foreign exchange movement and others</u>	<u>December 31, 2025</u>
Short-term borrowings	\$ 28,863,280	(6,566,381)	(9,497)	22,287,402
Short-term notes and bills payable	3,999,248	(608,174)	7,902	3,398,976
Long-term borrowings	17,407,288	(4,828,271)	(318,523)	12,260,494
Lease liabilities	1,354,699	(227,872)	185,942	1,312,769
Bonds payable	27,923,631	21,272,030	1,047,869	50,243,530
Guarantee deposit received	<u>1,468,537</u>	<u>(94,102)</u>	<u>226,856</u>	<u>1,601,291</u>
Total liabilities from financing activities	<u>\$ 81,016,683</u>	<u>8,947,230</u>	<u>1,140,549</u>	<u>91,104,462</u>

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	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 payable	-	3,999,248	-	3,999,248
Long-term borrowings	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	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	<u>\$ 67,658,634</u>	<u>14,201,578</u>	<u>(843,529)</u>	<u>81,016,683</u>

7. Related-party transactions:

- (1) Names and relationships of related parties

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

<u>Names of related parties</u>	<u>Relationship with the Group</u>
SIE	Associate
Excelliance MOS Corporation	Associate
Shih Her Technologies Inc.(SHT)	Other related party (Note 1)
Chang Yu Technologies Inc.(CYT)	Other related party (Note 1)
Chengdu Shizheng Technology Co., Ltd.(SZT)	Other related party (Note 1)
Dongguan Shi Ping Opto-Electronics Technology Co., Ltd.(SPT)	Other related party (Note 1)
Shiju Technology (Hefei) Co., Ltd.(SJT)	Other related party (Note 1)
Applichem Technology Corp. (Applichem Technology)	Other related party (Note 1)
ATC Capital Co., Ltd.	Other related party (Note 1)
Pacific Green Energy Ltd. Associate	Other related party (Note 1)
Billion EVC Technologies Co., Ltd Associate	Other related party (Note 1)

Note 1: The related party of NJHJT. The Company's subsidiary, TSC was included in the consolidated group upon acquiring Deep HJT on August 5, 2014.

Note 2: The chairman of Applichem Technology and the key management personnel of WCM are the spousal relationship.

Note 3: Director of Anneal Energy.

Note 4: This Company is the controlling shareholder and parent company of the aforementioned entity, and serves as its director.

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(2) Significant transactions with related parties

A. Operating revenue

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

	For the years ended December 31,	
	2025	2024
Associates	\$ 74,690	131,002
Other related parties	512	-
	<u>\$ 75,202</u>	<u>131,002</u>

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

For the years ended December 31, 2025 and 2024, the Group's credit terms for general customers ranged from advances received to 120 days after month-end. For related parties, the credit terms generally ranged from 30 to 120 days after month-end and from 30 to 90 days after the following 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,	
	2025	2024
Associates	\$ 2,640	-
Other related parties	10,953	-
	<u>\$ 13,593</u>	<u>-</u>

The payment terms with general vendors of the Group for the years 2025 and 2024 were advance payments to settlements due within 150 days in the following month. Payment terms for purchases from related parties were generally settlement within 30 to 90 days after the following month.

C. Accounts receivable due from related parties

The accounts receivable due from related parties were as follows:

Items	Categories	December 31, 2025	December 31, 2024
Accounts receivable due from related parties	Associate	\$ 9,434	564
Accounts receivable due from related parties	Other related parties	150	-
		<u>\$ 9,584</u>	<u>564</u>

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D. Accounts payable to related parties

The accounts payable to related parties to related parties were as follows:

<u>Items</u>	<u>Categories</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable to related parties	Associate	\$ 1,645	-
Accounts payable to related parties	Other related parties	2,496	-
		<u>\$ 4,141</u>	<u>-</u>

E. Others

- (a) The Group provides other services to related parties, including human resources, with the details of other income and receivables from related parties as follows:

<u>Items</u>	<u>Categories</u>	<u>For the years ended December 31, ,</u>	
		<u>2025</u>	<u>2024</u>
Other income	Associates	\$ 1,190	2,035
Other income	Other related parties	875	-
		<u>\$ 2,065</u>	<u>2,035</u>

<u>Items</u>	<u>Categories</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable due from related parties	Other related parties	\$ 3	-

- (b) Related parties provides other services to the Group, including services fee, with the details of other expense and payables from related parties as follows:

<u>Items</u>	<u>Categories</u>	<u>For the years ended December 31, ,</u>	
		<u>2025</u>	<u>2024</u>
Other expenses	Other related parties	\$ 99,474	-

<u>Items</u>	<u>Categories</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable to related parties	Other related parties	\$ 33,291	9

The Group engaged related parties to perform periodic testing of the energy storage system. As of December 31, 2025, other prepayments arising from the aforementioned transactions amounted to \$3,735 thousand, which were recorded under other current assets – other.

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Notes to the Consolidated Financial Statements

(3) Key management personnel transaction

Key management personnel compensation comprised of:

	For the years ended December 31,	
	2025	2024
Short-term employee benefits	\$ 459,310	529,448
Post-employment benefits	2,074	2,202
Share-based payments	11,285	14,127
	<u>\$ 472,669</u>	<u>545,777</u>

8. Pledged assets:

The carrying values of pledged assets were as follows:

Asset name	Pledge or Mortgage underlying subject	December 31, 2025	December 31, 2024
Property, plant and equipment	Long-term and short-term borrowings and credit lines	\$ 1,980,148	2,126,785
bank deposits (recognized in other financial assets – current)	Pledged certificates of deposit, etc.	17,172,990	10,009,356
bank deposits (recognized in other financial assets – non-current)	Guarantee for the lease contract with the Hsinchu Science Park Bureau	99,482	79,805
Financial assets at fair value through profit or loss non-current	Provision of Siltronic AG share to the trustee for security pledge	5,594,416	4,922,322
Equity investments measured at fair value through other comprehensive income	Long-term and short-term borrowings	<u>2,667,825</u>	<u>3,369,225</u>
		<u>\$ 27,514,861</u>	<u>20,507,493</u>

9. Commitments and contingencies:

(1) Significant unrecognized contractual commitments

A. As of December 31, 2025 and 2024, the purchase amounts for future procurement from suppliers under the existing agreements were \$27,640,691 thousand and \$33,027,439 thousand, respectively.

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- 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, 2025	December 31, 2024
USD	\$ 17,988	21,377
EUR	\$ 11,945	12,505

- C. As of December 31, 2025 and 2024, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to \$8,285,778 thousand and \$28,591,837 thousand, respectively.
- D. As of December 31, 2025 and 2024, the total amount of promissory notes deposited by the Group at the bank for acquiring bank financing is \$104,793,841 thousand and \$120,372,001 thousand, respectively.
- E. As of December 31, 2025 and 2024, a guarantee letter for the Customs Administration and Research and Development which the Group requested a bank to issue amounted to \$57,126 thousand and \$76,183 thousand, respectively.
- F. As of December 31, 2025 and 2024, the Group's outstanding standby letters of credit that were issued amounted to \$270,926 thousand and \$304,157 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, 2025 and 2024, a guarantee letter for the customer issued by the bank amounted to \$3,074,787 thousand and \$4,300,840 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 \$135,300 thousand and \$131,200 thousand. As of December 31, 2025 and 2024, the above-mentioned guarantee deposit were recorded as other non-current liabilities -other.

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

- I. The Group has entered into renewable energy power purchase agreements (“PPAs”) separately with power generators and end-use customers. The PPAs with power generators stipulate a minimum purchase quantity, which is required to reach a specified percentage of the generators’ monthly output capacity. The PPAs with end-use customers specify a minimum annual supply commitment and include provisions for the handling of non-performance. As of December 31, 2015 and December 31, 2024, no instances of non-compliance or breach of contract had been identified.
- J. The subsidiary of the Group, GWA entered into a plant construction subsidy agreement with the local government of Sherman, Texas. Under certain specified conditions outlined in the agreement, GWA is entitled to receive land and cash subsidies. From January 1 to December 31, 2025, GWA has received a plant construction subsidy of USD 5,500 thousand from the local government.
- K. The subsidiary of the Group, GWA signed a direct agreement with the U.S. Department of Commerce under the CHIPS Act and completed the first-phase milestones agreed upon by both parties between January 1 and December 31, 2025, receiving a subsidy of USD 200,000 thousand.

10. Losses due to major disasters: None.

11. Subsequent Events: None

12. Other:

By item	By function		For the years ended December 31,			
	2025			2024		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salary	10,284,642	3,642,208	13,926,850	10,141,333	3,786,041	13,927,374
Labor and health insurance	1,459,201	368,063	1,827,264	1,364,594	362,647	1,727,241
Pension	690,587	151,485	842,072	671,237	156,254	827,491
Others	343,334	190,374	533,708	357,707	201,848	559,555
Depreciation	10,149,115	658,227	10,807,342	9,220,402	618,170	9,838,572
Amortization	171,777	30,846	202,623	164,205	21,433	185,638

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

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, 2025 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.
- D. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 4.
- E. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 5.
- F. Business relationships and significant intercompany transactions: Please refer to Table 6.

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

(3) Information on investment in mainland China:

- A. The names of investees in Mainland China, the main businesses and products and other information: Please refer to Table 8(1).
- B. Limitation on investment in Mainland China: Please refer to Table 8(2).
- C. Significant transactions:

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

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

(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(25) of the Revenue Information on Customer Contracts.

B. Non-current assets:

<u>Geographical information</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Taiwan	\$ 25,326,224	28,880,558
Korea	7,688,586	9,973,685
Japan	15,729,325	18,652,673
United States	58,432,876	67,565,273
Italy	16,621,196	14,906,954
Philippines	1,522,425	139,520
Other countries	4,872,192	3,734,442
	<u>\$ 130,192,824</u>	<u>143,853,105</u>

(3) Major customers information

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

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Group C	\$ 7,271,558	8,160,987
Group K	6,621,172	6,713,028
	<u>\$ 13,892,730</u>	<u>14,874,015</u>

Sino-American Silicon Products Inc. and Subsidiaries

Loans to other parties

For the period ended December 31, 2025

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	The Company	SGE	Receivable from related parties	Yes	100,000	-	-	-	2	-	Operating capital	-	-	-	19,781,435	19,781,435
0	"	SSR	Receivable from related parties	Yes	664,100	628,600	-	-	2	-	Operating capital	-	-	-	19,781,435	19,781,435
0	"	SSH	Receivable from related parties	Yes	600,000	600,000	-	-	2	-	Operating capital	-	-	-	19,781,435	19,781,435
0	"	Sulu	Receivable from related parties	Yes	653,700	-	-	-	2	-	Operating capital	-	-	-	19,781,435	19,781,435
0	"	SPV4	Receivable from related parties	Yes	340,000	-	-	-	2	-	Operating capital	-	-	-	19,781,435	19,781,435
1	SSTI	Sulu	Receivable from related parties	Yes	487,449	469,250	469,250	-	2	-	Operating capital	-	-	-	2,028,664	2,028,664
1	"	AMLED	Receivable from related parties	Yes	379,002	358,742	358,742	-	2	-	Operating capital	-	-	-	2,028,664	2,028,664
2	SSR	Sulu	Receivable from related parties	Yes	353,633	326,872	326,872	-	2	-	Operating capital	-	-	-	-	-
3	SES	SGE	Receivable from related parties	Yes	50,000	-	-	2.00 %	2	-	Operating capital	-	-	-	61,653	61,653
4	GlobalWafers	SPVE5	Receivable from related parties	Yes	100,000	100,000	45,000	1.80 %	2	-	Operating capital	-	-	-	37,319,418	37,319,418
4	"	SPV4	Receivable from related parties	Yes	500,000	500,000	-	-	2	-	Operating capital	-	-	-	37,319,418	37,319,418
4	"	CWT	Receivable from related parties	Yes	200,000	-	-	-	2	-	Operating capital	-	-	-	37,319,418	37,319,418
5	GWJ	MEMC Japan	Receivable from related parties	Yes	14,886,880	13,333,120	9,718,720	1.37273 %	2	-	Operating capital	-	-	-	18,996,382	18,996,382
6	GWS	GWBV	Receivable from related parties	Yes	3,486,525	3,300,150	3,082,121	4.48%-6.04%	2	-	Operating capital	-	-	-	60,955,996	60,955,996
6	"	GW GmbH	Receivable from related parties	Yes	4,612,500	4,612,500	4,612,500	2.70 %	2	-	Operating capital	-	-	-	60,955,996	60,955,996

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	"	GlobalWafers	Receivable from related parties	Yes	9,961,500	7,260,330	6,021,988	4.621%~5.00%	2	-	Operating capital	-		-	60,955,996	60,955,996
6	"	MEMC SpA	Receivable from related parties	Yes	996,150	942,900	942,900	4.570 %	2	-	Operating capital	-		-	60,955,996	60,955,996
6	"	GWA	Receivable from related parties	Yes	31,430,000	31,430,000	28,674,312	4.016 %	2	-	Operating capital	-		-	60,955,996	60,955,996
7	GTI	MEMC LLC	Receivable from related parties	Yes	3,143,000	3,143,000	767,052	4.70424 %	2	-	Operating capital	-		-	23,226,669	23,226,669
7	"	GWA	Receivable from related parties	Yes	3,320,500	3,143,000	-	-	2	-	Operating capital	-		-	23,226,669	23,226,669
8	GWBV	GW GmbH	Receivable from related parties	Yes	2,214,000	2,214,000	295,200	2.70 %	2	-	Operating capital	-	-	-	60,404,030	60,404,030
8	"	Topsil A/S	Receivable from related parties	Yes	647,460	-	-	-	2	-	Operating capital	-	-	-	60,404,030	60,404,030
8	"	MEMC SpA	Receivable from related parties	Yes	3,690,000	3,690,000	3,690,000	2.393 %	2	-	Operating capital	-	-	-	60,404,030	60,404,030
9	SST	SSKT	Receivable from related parties	Yes	66,309	-	-	-	2	-	Operating capital	-		-	3,323,315	3,323,315
10	SSKT	MHTM	Receivable from related parties	Yes	94,626	42,712	35,069	3.00 %	2	-	Operating capital	-		-	112,910	112,910
11	GWCC	GlobalWafers	Receivable from related parties	Yes	3,235,815	-	-	-	2	-	Operating capital	-		-	12,153,458	12,153,458
11	"	GWA	Receivable from related parties	Yes	11,000,500	11,000,500	11,000,500	4.016 %	2	-	Operating capital	-		-	12,153,458	12,153,458
11	"	CWT	Receivable from related parties	Yes	628,600	628,600	628,600	4.27%~4.65%	2	-	Operating capital	-		-	12,153,458	12,153,458
12	CWT	GWH	Receivable from related parties	Yes	85,000	85,000	-	-	2	-	Operating capital	-		-	514,347	514,347
13	Anjet	Taipei ANJET Corporation	Receivable from related parties	Yes	282,870	282,870	236,541	2.14 %	2	-	Operating capital	-		-	80,300 (Note 5)	80,300 (Note 5)

Note 1: The nature of financing purposes:

- (1) Code 1 represents entities with business transaction with the Company.
- (2) Code 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 not subject to 40% of the net worth of the company that lends loan but the capital loan limit and time limit should still be determined in its internal operating procedures.
- (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.
- (3) For SGE and its subsidiaries' loan of funds to those having business transactions with SGE, 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 SGE net worth; for SGE directly and indirectly holds 100% of the voting shares of domestic companies engaged in capital lending, or SGE directly and indirectly holds 100% of the voting rights of domestic companies to engage in capital lending to SGE, and the amount does not exceed the net worth of the company that lent funds up to 40 percent.
- Note 3: (1) For the Company's loan of funds to those having business transactions, the total loan is limited to 40% of the net worth 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 SGE 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 SGE directly and indirectly holds 100% of the voting shares in domestic companies engaged in inter-company capital lending, or SGE directly and indirectly holds 100% of the voting rights in domestic companies, the company's capital lending to SGE shall not exceed 40% of the company's net worth.
- (4) For loan of funds of SSTI to those having business transactions, the total loan is limited to 2 times of the net worth 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.

- (5) For loan of funds of SSR to those having business transactions, the total loan is limited to 20 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 20 times of the net worth 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.
- (6) The Company's aggregate lending to other entities is subject to a cap of 40% of the lender's net equity. For loans extended for short-term financing needs to companies meeting the criteria, the total lending balance may not exceed 40% of the lender's net equity. For loans granted to subsidiaries in which the lender directly or indirectly holds more than 50% of the voting shares, or subsidiaries included in the consolidated financial statements in accordance with IFRS, each individual lending amount is capped at 40% of the lender's net equity. In addition, the amount lent to any single counterparty shall not exceed 10% of the lender's net equity.

Note 4: As the lending balance exceeded the prescribed limit at period-end, the subsidiary SSR developed a capital increase plan in January 2026, which was submitted to the board of directors and will be carried out in accordance with the planned timeline to remedy the excess.

Note 5: As the lending balance exceeded the prescribed limit at period-end, the subsidiary Anjet developed a remediation plan in December 2025, which was submitted to the board of directors. The remediation will be completed following the scheduled timeline.

Note 6: 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, 2025

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)	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)	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	The Company	Sulu	1	1,545,758 (Note 5)	1,527,430	-	-	-	-	1,545,758 (Note 5)	Y (Note 4)	N	N
0	"	SGE	2	49,453,588	35,421	421	421	-	-	49,453,588	Y	N	N
0	"	SSH	2	49,453,588	1,300,000	1,300,000	-	-	2.63 %	49,453,588	Y	N	N
0	"	SES	2	49,453,588	165,446	15,120	15,120	-	0.03 %	49,453,588	Y	N	N
0	"	SUN	2	49,453,588	200,000	200,000	300	-	0.40 %	49,453,588	Y	N	N
1	SES	SGE	4	770,660	774	768	768	-	0.10 %	770,660	N	Y	N
2	GlobalWafers	GmbH	2	279,895,635	16,605,000	16,605,000	12,368,880	-	17.80 %	279,895,635	N	N	N
2	"	GWH	2	279,895,635	800,000	800,000	-	-	0.86 %	279,895,635	N	N	N
2	"	SPV4	2	279,895,635	535,067	535,067	337,749	-	0.57 %	279,895,635	N	N	N
2	"	SPVE5	2	279,895,635	114,800	35,000	30,000	-	0.04 %	279,895,635	N	N	N
2	"	GWS	2	279,895,635	5,659,156	5,470,753	4,620,704	-	5.86 %	279,895,635	N	N	N
2	"	MEMC SpA	2	279,895,635	4,723,200	4,723,200	3,062,700	-	5.06 %	279,895,635	N	N	N
2	"	GWA	2	279,895,635	16,137,630	15,274,980	12,131,980	-	16.37 %	279,895,635	N	N	N
2	"	CWT	2	279,895,635	1,084,028	-	-	-	- %	279,895,635	N	N	N
2	"	MEMC LLC	2	279,895,635	664,100	628,600	628,600	-	0.67 %	279,895,635	N	N	N
3	GTI	"	4	116,133,345	3,268,500	-	-	-	- %	116,133,345	N	N	N
3	"	GWA	4	116,133,345	6,398,000	6,286,000	-	-	27.06 %	116,133,345	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)	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)	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)										
4	SST	KST	4	16,616,575	1,456,138	1,431,620	551,929	-	43.08 %	16,616,575	N	N	Y
5	GWS	GWA	4	203,186,650	31,430,000	31,430,000	-	-	77.34 %	203,186,650	N	N	N
6	GWCC	"	4	151,918,225	31,430,000	31,430,000	8,903,416	-	103.44 %	151,918,225	N	N	N
6	"	MEMC LLC	4	151,918,225	9,429,000	9,429,000	8,222,179	-	31.03 %	151,918,225	N	N	N
6	"	GmbH	4	151,918,225	5,535,000	5,535,000	-	-	18.22 %	151,918,225	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 and 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 pre-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, besides being 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 Group 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: The endorsements/guarantees quota for Sulu is calculated as the amount of sales at the time of endorsements/guarantees.

Note 6: The aggregate amount of guarantees provided by SES on behalf of others is subject to a ceiling of 500% of SES's net equity. The guarantee limit for any single entity is likewise capped at 500% of the net equity of SES based on the most recent financial statements. In addition, the combined amount of guarantees provided by SES and its subsidiaries to any single entity shall not exceed 500% of SES's net equity.

Sino-American Silicon Products Inc. and Subsidiaries
Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures)
December 31, 2025

Table 3

(In Thousands of New Taiwan Dollars)

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 (%)			
The Company	Billion Electric Co., Ltd.	SAS serves as a director of the entity.	Financial assets at fair value through other comprehensive income – non-current	15,007	341,407	11.54 %	341,407	11.54 %	
"	Taiwan Smart Electricity & Energy Co., Ltd.	None	Financial assets at fair value through other comprehensive income – non-current	7,500	75,000	4.76 %	75,000	4.76 %	Note 2
SSTI	Stock of SILFAB SPA	None	Financial assets at fair value through other comprehensive income – non-current	300	195,496	15.00 %	195,496	15.00 %	
SSH	Ancora Semiconductors Inc.	None	Financial assets at fair value through other comprehensive income – non-current	4,280	56,408	6.16 %	56,408	6.16 %	
"	YE SIANG ENTERPRISE CO., LTD.	None	Financial assets at fair value through other comprehensive income – non-current	231	11,551	0.33 %	11,551	0.33 %	
"	Silican Inc.	None	Financial assets at fair value through other comprehensive income – non-current	500	34,416	14.49 %	34,416	14.49 %	
GlobalWafers	CDIB Capital Growth Partners L.P.	None	Financial assets at fair value through profit or loss – non-current	-	100,081	3.85 %	100,081	3.85 %	
"	Siltronic AG	None	Financial assets at fair value through profit or loss – non-current	650	1,172,867	2.17 %	1,172,867	2.17 %	
GW GmbH	"	None	Financial assets at fair value through profit or loss – non-current	3,101	5,594,855	10.34 %	5,594,855	10.34 %	
GWBV	"	None	Financial assets at fair value through profit or loss – non-current	350	633,379	1.17 %	633,379	1.17 %	
GlobalWafers	WT Microelectronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income – non-current	621	85,062	0.04 %	85,062	0.05 %	
GWH	Private Placement Securities	None	Financial assets at fair value through profit or loss – non-current	-	228,186	1.93 %	228,186	1.93 %	
"	Yongquan Wafers Co., Ltd.	None	Financial assets at fair value through other comprehensive income – non-current	959	50,000	4.44 %	50,000	4.55 %	

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		
GWS	Citigroup Global Markets Holdings Inc. Dollar Fixed-Rate Notes	None	Financial assets at measured at amortized cost – non-current	-	6,254,570	-	-	-	
Hongwang	The Company	Parent company	Financial assets at fair value through other comprehensive income – non-current	25,050	2,667,825	3.91 %	2,667,825	3.91 %	Note 1
Actron	"	Parent company	Financial assets at fair value through other comprehensive income – non-current	2,000	213,000	0.31 %	213,000	0.31 %	Note 1
"	Phoenix Pioneer Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income – non-current	10,239	330,194	5.01 %	330,194	5.01 %	
"	AMED VENTURES I, L.P.	None	Financial assets at fair value through other comprehensive income – non-current	-	59,879	-	59,879	11.80 %	
Mosel	ProMos Technology Inc.	None	Financial assets at fair value through other comprehensive income – non-current	636	16,285	1.41 %	16,285	1.41 %	

Note1: Refer to Note 6(20) for the disclosure of treasury stock.

Note2: The Board of Directors of Actron approved a resolution to participate in Taiwan Smart Electricity & Energy Co., Ltd. capital increase on May 09, 2025. The investment amount is subscribed at \$10 per share, with a total subscription of 75,000 thousand shares.

Sino-American Silicon Products Inc. and Subsidiaries

Related-party transactions for purchases and sales with amounts exceeding the lower than NT\$100 million or 20% of the capital stock

For the period ended December 31, 2025

Table 4

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	SUN	Directly held associate	Purchase	375,143	20 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(201,936)	(99)%	
"	CWT	Indirectly held associate	Sale	(663,295)	(24) %	Net 60 days from the end of the month upon issuance of invoice	-	-	385,457	45%	
GlobalWafers	GTI	Indirectly held associate	Purchase	1,015,576	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(145,236)	(1)%	
"	SST	Indirectly held subsidiaries	Purchase	1,319,316	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(215,938)	(2)%	
"	GWJ	Indirectly held subsidiaries	Purchase	7,359,929	12 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(1,390,429)	(14)%	
"	Topsil A/S	Indirectly held subsidiaries	Purchase	1,938,964	3 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(190,422)	(2)%	
"	GWS	Indirectly held subsidiaries	Purchase	785,260	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(142,674)	(1)%	
GWS	GlobalWafers	Indirectly held subsidiaries	Purchase	7,003,103	12 %	Net 60 days from the end of the next month upon issuance of invoice	-	-	(1,083,393)	(11)%	
"	MEMC LLC	Indirectly held subsidiaries	Sale	(950,016)	(2) %	Net 60 days from the end of the month upon issuance of invoice	-	-	158,542	2%	
GTI	"	Indirectly held subsidiaries	Purchase	3,356,220	6 %	Payment due 90 days after the following month.	-	-	(485,545)	(5)%	
KST	"	Indirectly held subsidiaries	Purchase	1,115,868	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(241,050)	(2)%	
SST	"	Indirectly held subsidiaries	Purchase	725,242	1 %	Net 30 days from the end of the month upon issuance of invoice	-	-	(62,983)	(1)%	
GWJ	"	Indirectly held subsidiaries	Purchase	2,087,480	3 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(230,973)	(2)%	
MEMC Sdn Bhd	"	Indirectly held subsidiaries	Purchase	128,778	- %	Net 60 days from the end of the month upon issuance of invoice	-	-	(11,856)	-%	
Topsil A/S	"	Indirectly held subsidiaries	Purchase	329,760	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(86,713)	(1)%	

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Mosel	"	Indirectly held subsidiaries	Purchase	163,057	- %	Net 60 days from the end of the month upon issuance of invoice	-	-	(30,329)	-%	
GWA	CWT	Indirectly held subsidiaries	Purchase	210,778	- %	Net 60 days from the end of the month upon issuance of invoice	-	-	-	-%	
GWH	"	Indirectly held subsidiaries	Purchase	712,735	1 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(389,399)	(4)%	
CWT	The Company	Indirectly held subsidiaries	Purchase	663,295	5 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(385,458)	-%	
"	MEMC Sdn Bhd	Indirectly held subsidiaries	Purchase	1,159,282	2 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(158,059)	(2)%	
"	MEMC SpA	Indirectly held subsidiaries	Purchase	3,616,475	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(673,086)	(7)%	
"	"	Indirectly held subsidiaries	Sale	(7,820,736)	(13) %	Net 60 days from the end of the month upon issuance of invoice	-	-	1,377,040	14%	
"	MEMC Korea	Indirectly held subsidiaries	Purchase	2,478,053	4 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(374,325)	(4)%	
"	MEMC Japan	Indirectly held subsidiaries	Purchase	7,350,646	12 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(1,227,645)	(12)%	
"	"	Indirectly held subsidiaries	Sale	(2,544,556)	(4) %	Net 60 days from the end of the month upon issuance of invoice	-	-	406,975	4%	
SPA	CWT	Indirectly held subsidiaries	Purchase	857,561	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(116,179)	(1)%	
MKC	"	Indirectly held subsidiaries	Purchase	1,926,477	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(741,421)	(7)%	
Actron	Mosel	Indirectly held subsidiaries	Purchase	766,615	21 %	Net 90 days from the end of the month upon issuance of invoice	-	-	(81,024)	12%	
"	DING-WEI Technology Co., Ltd	Indirectly held subsidiaries	Purchase	737,508	20 %	Net 90 days from the end of the month upon issuance of invoice	-	-	(173,344)	25%	
Mosel	GlobalWafers	Indirectly held subsidiaries	Purchase	159,663	23 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(27,557)	(17)%	

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Sino-American Silicon Products Inc. and Subsidiaries

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

December 31, 2025

Table 5

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	CWT	Indirectly held subsidiaries	385,457	1.49	-	-	117,378	-
SSTI	AMLED	Indirectly held subsidiaries	358,742	(Note 3)	-	-	-	-
"	Sulu	Indirectly held subsidiaries	469,250	(Note 3)	-	-	-	-
GlobalWafers	GTI	Indirectly held subsidiaries	485,545	9.23	-	-	94	-
"	GWJ	Indirectly held subsidiaries	230,973	4.01	-	-	4,911	-
"	GWS	Indirectly held subsidiaries	1,083,393	7.98	-	-	11	-
"	KST	Indirectly held subsidiaries	241,050	5.32	-	-	33	-
GWS	GlobalWafers	Indirectly held subsidiaries	142,674	11.01	-	-	-	-
SST	"	Indirectly held subsidiaries	215,938	7.11	-	-	1,370	-
GWJ	"	Indirectly held subsidiaries	1,390,429	4.49	-	-	43,104	-
Topsil A/S	"	Indirectly held subsidiaries	190,422	9.91	-	-	4,626	-
CWT	MEMC SpA	Indirectly held subsidiaries	116,179	7.65	-	-	100,983	-
"	GWJ	Indirectly held subsidiaries	389,399	2.79	-	-	-	-
"	MKC	Indirectly held subsidiaries	741,421	2.78	-	-	-	-
GTI	GlobalWafers	Indirectly held subsidiaries	145,236	5.92	-	-	1,440	-
GWS	MEMC Japan	Indirectly held subsidiaries	406,975	6.66	-	-	241,538	-
"	MEMC SpA	Indirectly held subsidiaries	1,377,040	5.28	-	-	619,376	-
"	MEMC LLC	Indirectly held subsidiaries	158,542	7.13	-	-	94	-
MEMC Sdn Bhd	GWS	Indirectly held subsidiaries	158,059	8.07	-	-	42,013	-
MEMC SpA	"	Indirectly held subsidiaries	673,086	6.47	-	-	335,851	-

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
MEMC Korea	"	Indirectly held subsidiaries	374,325	5.81	-	-	205,825	-
MEMC Japan	"	Indirectly held subsidiaries	1,227,645	7.22	-	-	556,013	-
GWS	GlobalWafers	Indirectly held subsidiaries	6,021,988	(Note 3)	-	-	19,540	-
GWJ	MEMC Japan	Indirectly held subsidiaries	9,899,440	(Note 3)	-	-	-	-
GWS	GWBV	Indirectly held subsidiaries	3,299,353	(Note 3)	-	-	-	-
"	GW GmbH	Indirectly held subsidiaries	4,743,745	(Note 3)	-	-	-	-
"	GWA	Indirectly held subsidiaries	28,680,710	(Note 3)	-	-	28,260,710	-
GTI	MEMC LLC	Indirectly held subsidiaries	1,582,231	(Note 3)	-	-	777,554	-
GWS	MEMC SpA	Indirectly held subsidiaries	950,441	(Note 3)	-	-	-	-
GWBV	"	Indirectly held subsidiaries	3,759,201	(Note 3)	-	-	947	-
"	GW GmbH	Indirectly held subsidiaries	300,716	(Note 3)	-	-	-	-
GWCC	GWA	Indirectly held subsidiaries	7,543,200	(Note 3)	-	-	11,000,500	-
DING-WEI Technology Co., Ltd	Actron	Indirectly held subsidiaries	173,344	4.31	-	-	-	-

Note 1: The amount receivable as of October 22, 2025.

Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 3: Receivables from related party for financing purpose.

Sino-American Silicon Products Inc. and Subsidiaries
Business relationships and significant intercompany transactions
For the period ended December 31, 2025

Table 6

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3,4)
1	GlobalWafers	GTI	3	Purchase	1,015,576	Net 60 days from the end of the month upon issuance of invoice	1.30%
1	GlobalWafers	SST	3	Purchase	1,319,316	Net 60 days from the end of the month upon issuance of invoice	1.69%
1	GlobalWafers	GWJ	3	Purchase	7,359,929	Net 60 to 90 days from the end of the month upon issuance of invoice	9.42%
1	GlobalWafers	Topsil A/S	3	Purchase	1,938,964	Net 30 to 60 days from the end of the month upon issuance of invoice	2.48%
1	GlobalWafers	GWS	3	Purchase	785,260	Net 60 days from the end of the next month upon issuance of invoice	1.00%
1	GlobalWafers	GTI	3	Sale	3,356,220	Net 60 to 90 days from the end of the month upon issuance of invoice	4.29%
1	"	GWJ	3	Sale	2,087,480	Payment due 90 days after the following month	2.67%
1	"	GWS	3	Sale	7,003,103	Net 60 to 90 days from the end of the month upon issuance of invoice	8.96%
1	"	KST	3	Sale	1,115,868	Net 60 days from the end of the month upon issuance of invoice	1.43%
2	CWT	MEMC Korea	3	Sale	1,926,477	Net 60 days from the end of the month upon issuance of invoice	2.46%
2	"	MEMC SpA	3	Sale	857,561	Net 60 days from the end of the month upon issuance of invoice	1.10%
3	GWS	MEMC LLC	3	Sale	950,016	Net 60 days from the end of the month upon issuance of invoice	1.22%
3	"	MEMC SpA	3	Purchase	3,616,475	Net 60 days from the end of the month upon issuance of invoice	4.63%
3	"	"	3	Sale	7,820,736	Net 60 days from the end of the month upon issuance of invoice	10.00%
3	"	MEMC Korea	3	Purchase	2,478,053	Net 60 days from the end of the month upon issuance of invoice	3.17%
3	"	MEMC Japan	3	Sale	2,544,556	Net 60 days from the end of the month upon issuance of invoice	3.26%
3	"	"	3	Purchase	7,350,646	Net 60 days from the end of the month upon issuance of invoice	9.40%
3	"	MEMC Sdn Bhd	3	Purchase	1,159,282	Net 60 days from the end of the month upon issuance of invoice	1.48%
3	"	GlobalWafers	3	Receivables from related party financing	6,021,988	Net 60 days from the end of the month upon issuance of invoice	2.24%
3	"	GWBV	3	Receivables from related party financing	3,229,353	Net 60 days from the end of the month upon issuance of invoice	1.20%

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets (Note 3,4)
				Account name	Amount	Trading terms	
3	"	GWA	3	Receivables from related party financing	28,680,709	-	10.66%
3	"	GmbH	3	Receivables from related party financing	4,743,745	-	1.76%
3	"	GWA	3	Advance payments for goods	7,543,200	-	2.80%
4	GWJ	MEMC Japan	3	Receivables from related party financing	9,718,720	-	3.61%
5	GWBV	MEMC SpA	3	Receivables from related party financing	3,695,225	-	1.37%

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: For transaction amount accounted for as asset or liability, the ratio is calculated as the closing balance amount divided by the consolidated total assets; For transaction amount accounted for as profit or loss, the ratio is calculated as the accumulated amount at the end of the financial period divided by 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, 2025

Table 7

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousand)	Percentage of Ownership	Carrying value				
The Company	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 %	1,014,332	100.00 %	716	716	Subsidiary
"	GlobalWafers	Taiwan	Semiconductor silicon wafer materials and components manufacturing and trade	8,957,524	8,957,524	223,008	46.64 %	42,171,245	46.64 %	7,311,661	3,359,887	Subsidiary
"	Aleo	Prenzlau	Solar module manufacturing and sale and wholesale of electronic materials	558,139 (EUR13,500)	558,139 (EUR13,500)	(Note 1)	100.00 %	99,248	100.00 %	(115,158)	(115,158)	Subsidiary
"	SSR	Cayman	Investment activities	794,373 (USD24,500)	794,373 (USD24,500)	24,500	100.00 %	(5,854)	100.00 %	(100,994)	(100,994)	Subsidiary
"	SGE	Taiwan	Electricity activities	240,482	15,000	21,726	88.17 %	371,154	100.00 %	14,786	19,522	Subsidiary
"	SSH	Taiwan	Investment activities	800,000	650,000	80,000	100.00 %	433,796	100.00 %	(22,626)	(22,626)	Subsidiary
"	SES	Taiwan	Energy technology service business	-	20,000	-	-	-	100.00 %	6,701	6,701	Subsidiary
"	Accu Solar	Taiwan	Solar energy system provider	112,193	112,193	7,452	24.70 %	39,928	24.70 %	(12,030)	(14,915)	Associate
"	TSC	Taiwan	Semiconductor special gas and chemical material manufacturer	1,021,586	1,021,586	42,123	28.52 %	1,325,979	28.52 %	734,038	164,009	Subsidiary Note 2
"	Actron	Taiwan	Automotive semiconductor manufacturing and sales	2,569,686	2,558,359	26,031	25.57 %	2,265,911	25.57 %	573,787	104,373	Subsidiary Note 2

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousand)	Percentage of Ownership	Carrying value				
"	AWSC	Taiwan	Manufacturing and trading of GaAsWafers	4,512,879	4,512,879	55,923	28.46 %	2,739,786	28.46 %	660,148	155,236	Subsidiary Note 2
"	Mosel	Taiwan	Semiconductors	97	97	3	-	96	-	-	-	Subsidiary
"	Anneal	Taiwan	Electricity activities	-	141,565	-	-	-	48.31 %	3,599	1,644	Subsidiary Note 2
"	SUN	Taiwan	Solar Cell Manufacturing	926,505	-	92,651	100.00 %	893,070	100.00 %	(33,435)	(33,435)	Subsidiary
"	EFC	Taiwan	General and Venture Capital Investment Industry	1,000	-	100	100.00 %	982	100.00 %	(18)	(18)	Subsidiary
"	GBRA	Taiwan	General and Venture Capital Investment Industry	400	-	40	40.00 %	400	100.00 %	-	-	Associate
SSH	SHE	Taiwan	Energy technology service business	3,825	3,825	383	51.00 %	3,209	51.00 %	(142)	-	Notes 4 and 9
"	SIE	Taiwan	Energy technology service business	44,000	44,000	4,400	40.00 %	44,315	40.00 %	2,154	-	Associate Note 4
"	WSC	Taiwan	Semiconductors	143,072	143,633	14,307	50.80 %	122,176	50.80 %	(41,560)	-	Notes 4 and 9
"	Anjet	British Cayman Islands	Semiconductors	51,018	-	800	4.61 %	48,802	4.61 %	(147,180)	-	Notes 4 and 9
SSR	Sulu	Philippines	Electricity activities	113,920 (USD4,000)	113,920 (USD4,000)	420,000	40.00 %	5,909	40.00 %	(118,361)	-	Notes 4 and 9
"	AMLED	Philippines	Investment activities	-	-	-	-	-	-	-	-	Notes 3, 4 and 9
AMLED	Sulu	Philippines	Electricity activities	297,229 (USD9,065)	297,229 (USD9,065)	472,500	45.00 %	6,648	45.00 %	(118,361)	-	Notes 4 and 9

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousand)	Percentage of Ownership	Carrying value				
Aleo	Aleo Italia	Italy	Solar module sale and whole sale of electronic materials	-	4,078 (EUR100)	-	-	-	-	-	-	Notes 7 and 9
SPV3	SES	Taiwan	Energy technology service business	225,482	-	15,000	100.00 %	154,133	100.00 %	2,269	-	Notes 4 and 9
"	Anneal	Taiwan	Electricity activities	317,401	-	35,460	100.00 %	318,395	100.00 %	277	-	Notes 4 and 9
"	EES	Taiwan	Energy efficiency service business	3,000	-	500	60.00 %	3,004	60.00 %	7	-	Notes 4 and 9
"	RES	Taiwan	Energy storage service business	12,000	-	1,200	60.00 %	12,030	60.00 %	50	-	Notes 4 and 9
EFC	GBRAM	Taiwan	General and Venture Capital Investment Industry	400	-	40	40.00 %	400	100.00 %	-	-	Associate 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 %	3,360,995	100.00 %	197,343	-	Notes 4 and 9
"	GWJ	Japan	Manufacturing and trading of silicon wafers	5,448,015	5,448,015	128	100.00 %	18,970,413	100.00 %	1,058,123	-	Notes 4 and 9
"	GWS	Singapore	Investment activities	2,207,377	2,207,377	41,674	100.00 %	39,075,436	100.00 %	-	-	Notes 4 and 9
"	GW GmbH	Germany	Trading	1,952,235 (EUR 62,525)	1,952,235 (EUR 62,525)	48,025	100.00 %	(9,998,056)	100.00 %	(895,362)	-	Notes 4 and 9
"	GWBV	Netherland	Investment activities	52,221,999 (USD 1,721,076)	40,367,464 (USD 1,321,076)	0.1	100.00 %	60,404,030	100.00 %	(2,875,757)	-	Notes 4 and 9
"	Hongwang	Taiwan	Investment activities	309,760	309,760	30,976	30.98 %	692,333	30.98 %	154,988	-	Notes 4 ,6 and 9
"	SPV4	Taiwan	Electricity activities	1,045,000	1,045,000	104,500	100.00 %	1,068,931	100.00 %	(13,992)	-	Notes 4 and 9

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousand)	Percentage of Ownership	Carrying value				
"	SPVE5	Taiwan	Electricity activities	141,340	141,340	14,134	100.00 %	128,266	100.00 %	(8,503)	-	Notes 4 and 9
"	GWH	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	282,403	100.00 %	29,022	-	Notes 4 and 9
"	CWT	Taiwan	Manufacturing and trading of silicon wafers	437,924	437,924	43,836	100.00 %	1,068,849	100.00 %	1,077,365	-	Notes 4 and 9
"	GWCC	Taiwan	Investment activities	23,315,300 (USD 750,000)	8,132,250 (USD 250,000)	93,261	79.41 %	24,127,653	100.00 %	496,298	-	Notes 4 and 9
GWJ	MEMC Japan	Japan	Manufacturing and trading of silicon wafers	373,413 (JPY 100,000)	373,413 (JPY 100,000)	750	100.00 %	2,429,417	100.00 %	95,876	-	Notes 4 and 9
GWBV	MEMC SpA	Italy	Manufacturing and trading of silicon wafers	6,732,641 (USD204,788)	6,732,641 (USD204,788)	65,000	100.00 %	11,569,996	100.00 %	(942,127)	-	Notes 4 and 9
MEMC SpA	MEMC SarL	French	Manufacturing and trading of silicon wafers	1,316 (USD40)	1,316 (USD40)	0.5	100.00 %	5,548	100.00 %	975	-	Notes 4 and 9
GWBV	MEMC Korea	Korea	Manufacturing and trading of silicon wafers	11,851,262 (USD384,605)	11,851,262 (USD384,605)	25,200	100.00 %	22,634,756	100.00 %	451,028	-	Notes 4 and 9
"	GTI	United states	Manufacturing and trading of epitaxial wafers	14,634,384 (USD491,262)	2,779,849 (USD91,262)	1	100.00 %	24,520,388	100.00 %	(2,535,105)	-	Notes 4 and 9
"	MEMC Ipoh	Malaysia	Manufacturing and trading of silicon wafers	93,907 (USD1,323)	93,907 (USD1,323)	612,300	100.00 %	5,688	100.00 %	581	-	Notes 4 and 9
"	Topsil A/S	Denmark	Manufacturing and trading of silicon wafers	1,843,604 (USD60,996)	1,843,604 (USD60,996)	1,000	100.00 %	2,931,165	100.00 %	101,937	-	Notes 4 and 9
CWT	Crytalwise HK	Hong Kong	Investment activities	- (USD47,650)	- (USD47,650)	47,650	100.00 %	34,153	100.00 %	(179)	-	Notes 4 and 9
GTI	MEMC LLC	United states	Research and development, manufacturing and trading of silicon wafers	543,384 (USD17,839)	543,384 (USD17,839)	-	100.00 %	3,983,141	100.00 %	(1,148,597)	-	Notes 4 and 9

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	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)	1,553,716 (USD 47,315)	89,586	100.00 %	2,032,751	100.00 %	67,622	-	Notes 4 and 9
GTI	GWA	United states	Research and development, manufacturing and trading of silicon wafers	15,175,535 (USD 507,000)	31 (USD 1)	1	100.00 %	14,364,588	100.00 %	(1,198,161)	-	Notes 4 and 9
MEMC Korea	MKCC	Taiwan	Investment activities	6,241,055 (USD 200,000)	-	624,000	100.00 %	6,328,400	100.00 %	132,549	-	Notes 4 and 9
MKCC	GWCC	Taiwan	Investment activities	6,044,600 (USD 200,000)	-	24,178	20.59 %	6,255,993	20.59 %	60,829	-	Notes 4 and 9
TSC	HJT	Taiwan	Cleaning, maintenance, and refurbishment of semiconductor equipment and components	2,995,697	-	9,986	65.22 %	3,151,195	65.22 %	578,780	-	Notes 4 and 9
HJT	HMI	Samoa	Investment holding	96,477 (USD 3,100)	-	6,900	68.89 %	357,685	68.89 %	50,775	-	Notes 4 and 9
Actron	DING-WEI Technology Co., Ltd	Taiwan	Manufacture of electronic components and motor parts	306,900	306,900	15,000	100.00 %	253,687	100.00 %	48,120	-	Notes 4 and 9
"	Smooth International Limited Corporation	Samoa	Investment activities	453,440	363,260	12,000	100.00 %	474,537	100.00 %	11,195	-	Notes 4 and 9
Smooth International Limited Corporation	Smooth Autocomponent Limited	Hong Kong	Investment activities	363,260	363,260	12,000	100.00 %	380,247	100.00 %	11,195	-	Notes 4, and 9
Actron	REC	Taiwan	Manufacture of motor parts	208,102	208,102	8,488	49.00 %	103,036	49.00 %	3,891	-	Notes 4 and 9
"	Hongwang	Taiwan	Investment activities	300,000	300,000	30,000 (Note 8)	30.00 %	670,485	30.00 %	154,988	-	Notes 4, 6 and 9
"	Mosel	Taiwan	Semiconductor industry	1,180,191	1,180,191	46,925	30.00 %	1,827,806	30.00 %	(76,982)	-	Notes 4 and 9

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousand)	Percentage of Ownership	Carrying value				
"	Bigbest Solution, Inc.	Taiwan	Manufacture of motor parts	245,143	245,143	19,314	28.00 %	76,457	28.00 %	10,747	-	Notes 4 and 9
"	Excelliance MOS Corporation	Taiwan	Semiconductor industry	1,491,750	1,491,750	15,000	29.00 %	1,478,463	29.00 %	232,841	-	Associate Note 4
"	Anjet	Cayman Islands	Semiconductor industry	394,997	-	5,741	33.00 %	371,768	33.00 %	(147,180)	-	Notes 4 and 9
Mosel	Den MOS Technology Inc	Taiwan	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific Ics	317,682	291,820	9,585	84.00 %	111,399	84.00 %	(908)	-	Notes 4 and 9
"	Mou Fu	Taiwan	Leasing, manpower dispatch and various services	-	2,313,124	-	-	-	100.00 %	471	-	Notes 4 and 9
"	Giant Haven Investments Ltd. (BVI)	British Virgin Islands	Holding company	583,675	664,061	15	100.00 %	5,884	100.00 %	6,353	-	Notes 4, 9 and 10
"	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	Den MOS Technology Inc	Taiwan	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific Ics	-	25,863	-	-	-	4.00 %	(908)	-	Notes 4 and 9
Giant Haven Investments Ltd. (BVI)	Third Dimension Semiconductor, Inc.	United states	Power IC design	314,640	314,640	49,183	43.00 %	-	43.00 %	2,003	-	Notes 4 and 9
Anjet	Taipei ANJET Corporation	Taiwan	Production and sales of electronic components, information software services, and other design	390,000	390,000	39,000	100.00 %	(67,614)	100.00 %	(106,948)	-	Notes 4 and 9
Taipei ANJET Corporation	Anjet Research Lab Co., Ltd.	Japan	R&D, and design of electronic components	17,446	17,446	70	100.00 %	20,114	100.00 %	1,370	-	Notes 4 and 9

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: Aleo Italia has completed its liquidation proceedings in February 2025.
- Note 8: Among them are 468 thousand shares of ordinary stock and 29,532 thousand shares of preffered stock.
- Note 9: All of which are subsidiaries held through indirect ownership.
- Note 10: Giant Haven Investments Ltd. (BVI) approved, in its Board of Directors meeting dated September 25, 2025, a capital reduction to offset losses of 2 thousand shares, and a cash capital reduction of 0.2 thousand shares, with cash of \$70,024 thousand returned to shareholders.

Sino-American Silicon Products Inc. and Subsidiaries
Information on investment in mainland China
For the period ended December 31, 2025

Table 8

(In Thousands of New Taiwan Dollars)

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	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)	197,396	100.00%	100.00%	197,396 (Note 2)	3,323,315	-
KST	Trading and marketing business	26,587	(Note 6)	-	-	-	-	7,658	100.00%	100.00%	7,658 (Note 2)	104,239	-
SSKT	Manufacturing and distributing lithium tantalate and lithium niobate wafers	102,776	(Note 7)	-	-	-	-	(5,632)	100.00%	100.00%	(5,632) (Note 2)	282,275	-
MHTM	Manufacturing and distributing lithium tantalate and lithium niobate wafers	159,588	(Note 8)	-	-	-	-	(3,365)	90.00%	90.00%	(3,365) (Note 2)	(31,386)	-
YHTM	Manufacturing and sales of optoelectronic and communication materials	1,787,164	(Notes 9 and 10)	1,786,779 (USD57,450)	-	-	1,786,779 (USD57,450)	(37)	100.00%	100.00%	(37) (Note 2)	41,701	-
Smooth Auto Parts (Qingdao) Co., Ltd.	Manufacture of motor parts	(USD12,000)	(Note 12)	365,340 (USD12,000)	-	-	365,340 (USD12,000)	8,678	100.00%	100.00%	8,678 (Note 2)	358,771	70,083
Anjie Core Technology (Beijing) Co.,Ltd.	Sales of electronic components	(USD450)	(Note 12)	13,700 (USD450)	-	-	13,700 (USD450)	(2)	33.00%	33.00%	76 (Note 13)	3,368	-
NJHJT	Cleaning, maintenance, and refurbishment of semiconductor equipment and componenets	210,530 (RMB47,459)	(Note 14)	96,477 (USD3,100)	-	-	96,477 (USD3,100)	78,979	64.29%	64.29%	50,775 (Note 15)	357,685	-

(2) Limitation on investment in Mainland China

Company Name	Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Department of Investment Review, MOEA	Upper Limit on Investment
GlobalWafers	2,479,138(USD79,337) (Note 11)	3,476,061(USD114,002) (Notes 3 and 11)	55,979,127 (Note 4)
TSC	379,040 (USD12,450)	379,040(USD12,450)	4,737,562 (Note 13)
Actron	96,477 (USD3,100)	96,477(USD3,100)	2,231,632

Note 1: Investments through GSI.

Note 2: The basis for investment income (loss) recognition is from the reviewed 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, 2025.

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 of \$59,438 thousand (USD\$1,900 thousand) remitted back to crystalwise HK in March 2024. And Capital reduction of \$59,823 thousand (USD\$1,850 thousand) remitted back 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 company established in a third jurisdiction.

Note 13: The investment amounts authorized by Department of Investment Review, MOEA:7,895,937 (net equity of Actron) ×60%=4,737,562.

Note 14: Investing in China through HMI.

Note 15: It includes the amount resulting from the acquisition of HJT on August 5, 2025, which was merged and rested into the Mainland China company NJHJT.