

Bulletin:

SAS' Latest Acquisition Underpins Its Strengthening Semiconductor Business

July 1, 2025

This report does not constitute a rating action.

Sino-American Silicon Products Inc.'s (SAS) acquisition of a semiconductor parts cleaning servicer could slightly enhance its semiconductor business.

On June 27, 2025, SAS (twAA-/Stable/twA-1+) announced its intention to acquire a 65.2% stake in Taiwan-based Hung Jie Technology Corp. through SAS' subsidiary, Taiwan Specialty Chemicals Corp. The acquisition is consistent with SAS' strategy to continue strengthening its services mainly in the front to mid-end semiconductor value chain.

We do not expect the acquisition to alter SAS' financial risk profile, nor materially enhance the company's competitive position, given the acquisition's small scale. This is despite Hung Jie Technology's semiconductor parts cleaning service complements SAS' specialty electronic-graded gases and chemicals businesses.

The investment has no impact on our base case for SAS, which already incorporates the company's ongoing acquisitions to strengthen its business portfolio over the next two to three years. The total consideration of around new Taiwan dollar (NT\$) 3 billion is manageable for SAS, in our view, given the company's EBITDA of NT\$26.2 billion in 2024.

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