

# SINO-AMERICAN SILICON PRODUCTS INC.

## Financial Statement – Balance Sheet

Provided by: Sino-American Silicon Products Inc.  
 Financial year: Yearly  
 Unit : NT\$ thousand

Accounting Title	2011/09/30		2010/09/30	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	2,229,016.00	7.77	5,464,005.00	18.46
Accounts receivable - net	1,285,658.00	4.48	2,186,943.00	7.39
Accounts receivable - related parties - net	1,005,002.00	3.51	665,195.00	2.25
Other financial assets - current	2,508.00	0.01	1,746.00	0.01
Inventories	1,169,784.00	4.08	1,462,060.00	4.94
Other prepayments	3,942,147.00	13.75	1,236,377.00	4.18
Other current assets	147,724.00	0.52	270,026.00	0.91
Current assets	9,781,839.00	34.11	11,286,352.00	38.14
Funds and Investments				
Available-for-sale financial assets - non current	1,054,500.00	3.68	407,732.00	1.38
Financial assets carried at cost - non current	583,595.00	2.04	1,590,397.00	5.37
Equity investments under equity method	7,112,228.00	24.80	5,100,352.00	17.23
Investments	7,112,228.00	24.80	5,100,352.00	17.23
Other financial assets - non current	2,194.00	0.01	1,931.00	0.01
Funds and long-term investments	8,752,517.00	30.53	7,100,412.00	23.99
Fixed Assets				
Cost				
Buildings and structures	2,667,969.00	9.30	2,612,171.00	8.83
Machinery and equipment	7,156,394.00	24.96	5,762,429.00	19.47
Other facilities	975,274.00	3.40	954,879.00	3.23
Fixed assets cost	10,799,637.00	37.66	9,329,479.00	31.52
Accumulated depreciation	-3,972,344.00	-13.85	-2,823,710.00	-9.54
Construction in process and prepayment for equipments	626,318.00	2.18	704,821.00	2.38
Fixed assets	7,453,611.00	26.00	7,210,590.00	24.36
Intangible Assets				
OtherAssets				
Deferred charges	5,922.00	0.02	12,801.00	0.04
Long-term notes and accounts receivable - related parties	769,977.00	2.69	0.00	0.00
Other assets - other	1,909,293.00	6.66	3,985,324.00	13.47
Other assets	2,685,192.00	9.36	3,998,125.00	13.51
Assets	28,673,159.00	100.00	29,595,479.00	100.00
Liabilities and Stockholders' Equity				
Liabilities				
Current Liabilities				
Short-term borrowings	500,000.00	1.74	761,000.00	2.57
Notes payable	1,019,831.00	3.56	1,410,603.00	4.77
Accounts payable - related parties	204,106.00	0.71	318,295.00	1.08
Other payables	84,437.00	0.29	351,335.00	1.19
Advance receipts	1,000,128.00	3.49	595,601.00	2.01
Long-term liabilities - current portion	1,352,500.00	4.72	1,371,500.00	4.63
Other current liabilities	411,021.00	1.43	785,756.00	2.65
Current liabilities	4,572,023.00	15.95	5,594,090.00	18.90

Long term Liabilities				
Long-term borrowings	1,260,000.00	4.39	2,435,000.00	8.23
Long-term liabilities	1,260,000.00	4.39	2,435,000.00	8.23
Reserves				
Other Liabilities				
Other liabilities - other	3,944,202.00	13.76	4,104,227.00	13.87
Other liabilities	3,944,202.00	13.76	4,104,227.00	13.87
Liabilities	9,776,225.00	34.10	12,133,317.00	41.00
Stockholders' Equity				
Capital				
Common stock	4,231,191.00	14.76	3,820,256.00	12.91
Advance receipts for common stock	97,699.00	0.34	0.00	0.00
Capital Surplus				
Capital surplus - additional paid-in capital	11,311,394.00	39.45	9,579,576.00	32.37
Capital surplus	11,311,394.00	39.45	9,579,576.00	32.37
Retained Earnings				
Legal reserve	944,846.00	3.30	587,985.00	1.99
Unappropriated retained earnings	2,922,049.00	10.19	2,983,494.00	10.08
Retained earnings	3,866,895.00	13.49	3,571,479.00	12.07
Stockholders' Equity and Other adjustmen				
Cumulative translation adjustments	176,678.00	0.62	128,172.00	0.43
Net loss not recognized as pension cost	-21,178.00	-0.07	-16,049.00	-0.05
Unrealized gains (losses) on financial instruments	-765,745.00	-2.67	378,728.00	1.28
Equity adjustments	-610,245.00	-2.13	490,851.00	1.66
Stockholders' equity	18,896,934.00	65.90	17,462,162.00	59.00
Number of treasury stock acquired by the company and subsidiaries (unit: share)	0.00	0.00	0.00	0.00
	1,744,627.00	6.08	0.00	0.00

## Financial Statement — Income Statement

Provided by: Sino-American Silicon Products Inc.  
 Financial year: Yearly  
 Unit : NT\$ thousand

Accounting Title	2011/09/30		2010/09/30	
	Amount	%	Amount	%
Sales	13,288,385.00	99.18	14,042,390.00	99.68
Sales discounts and allowances	110,788.00	0.83	32,502.00	0.23
Sales	13,177,597.00	98.36	14,009,888.00	99.45
Service revenue	219,996.00	1.64	78,099.00	0.55
Service revenue	219,996.00	1.64	78,099.00	0.55
Operating income	13,397,593.00	100.00	14,087,987.00	100.00
Cost of sales	11,975,274.00	89.38	11,366,800.00	80.68
Operating costs	11,975,274.00	89.38	11,366,800.00	80.68
Gross profit (loss) from operations	1,422,319.00	10.62	2,721,187.00	19.32
Selling expense	61,324.00	0.46	69,028.00	0.49
General and administrative expenses	130,507.00	0.97	234,658.00	1.67
Research and development expenses	316,845.00	2.36	343,021.00	2.43
Operating expenses	508,676.00	3.80	646,707.00	4.59
Operating income (loss)	913,643.00	6.82	2,074,480.00	14.73
Non-Operating Income				
Interest income	12,653.00	0.09	1,990.00	0.01
Income from long-term equity investments under the equity method	267,949.00	2.00	447,102.00	3.17
Dividends	10,947.00	0.08	10,052.00	0.07
Investment income	278,896.00	2.08	457,154.00	3.24
Gains on sale of investments	6,979.00	0.05	9,534.00	0.07
Foreign exchange gains	96,959.00	0.72	22,305.00	0.16
Miscellaneous income	69,240.00	0.52	51,082.00	0.36
Non-operating revenues and gains	464,727.00	3.47	542,065.00	3.85
Non-Operating Expenses				
Interest expense	42,258.00	0.32	51,795.00	0.37
Impairment loss on assets	0.00	0.00	32,949.00	0.23
Non-operating expenses and losses	42,258.00	0.32	84,744.00	0.60
Income from continuing operations before income tax	1,336,112.00	9.97	2,531,801.00	17.97
Income tax expense (benefit)	65,549.00	0.49	200,688.00	1.42
Income from continuing operations	1,270,563.00	9.48	2,331,113.00	16.55
Cumulative effect of changes in accounting principle	0.00	0.00	0.00	0.00
Net income (loss)	1,270,563.00	9.48	2,331,113.00	16.55
Primary Earnings per Share				
Primary earnings per share	3.06	0.00	6.82	0.00
Diluted earnings per share				
Diluted earnings per share	3.03	0.00	6.71	0.00

Sino-American Silicon Products Inc.		
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS		
Nine Months Ended September 30, 2011 AND 2010		
	(In Thousands of New Taiwan Dollars)	
	2011	2010
Cash Flows from Operating Activities - Indirect Method		
Net Income (Loss)	\$1,270,563	\$2,331,113
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities		
Depreciation Expense	1,055,565	770,304
Provision (Reversal of Provision) for Bad Debts Losses	8,669	(36,785)
Share-based Compensation	22,849	0
Loss (Gain) on Decline (Recovery) in Market Value, Scrap and Obsolescence of Inventories	3,181	19,284
Investment Loss (Income) Recognized under Equity Method	(267,949)	(447,102)
Cash Dividends Received from Investments Accounted for under Equity Method	9,540	115
Loss (Gain) on Disposal of Property, Plant and Equipment	(119)	0
Loss (Gain) on Disposal of Investments	(6,979)	(9,534)
Impairment Losses on Financial Asset	0	32,949
Other Adjustments to Reconcile Net Income	299,233	(86,287)
Changes in Operating Assets and Liabilities		
Decrease (Increase) in Accounts Receivable	498,800	(480,632)
Decrease (Increase) in Accounts Receivable - Related Parties	(217,787)	(380,631)
Decrease (Increase) in Inventories	523,777	(472,999)
Decrease (Increase) in Other Prepayments	(729,021)	63,324
Decrease (Increase) in Other Financial Assets	1,084	10,267
Decrease (Increase) in Deferred Tax Assets	(80,774)	44,467
Decrease (Increase) in Other Operating Assets	(23,097)	12,137
Increase (Decrease) in Accounts Payable	(470,371)	203,469
Increase (Decrease) in Accounts Payable - Related Parties	62,988	(149,804)
Increase (Decrease) in Receipts in Advance	181,491	(386,779)
Increase (Decrease) in Accrued Pension Liabilities	2,184	1,790
Increase (Decrease) in Deferred Credits	4,800	58,954
Increase (Decrease) in Other Operating Liabilities	(720,265)	559,483
Net Cash Provided by (Used in) Operating Activities	1,428,362	1,657,103
Cash Flows from Investing Activities		
Acquisition of Available-for-sale Financial Assets	(15,767)	0
Proceeds from Disposal of Available-for-sale Financial Assets	0	10,214
Acquisition of Financial Assets Carried at Cost	(579,660)	(950,175)
Acquisition of Investments Accounted for by Equity Method	(837,000)	(26,096)
Proceeds from Disposal of Investments Accounted for by Equity Method	14,436	0
Purchase of Property, Plant and Equipment	(1,419,791)	(2,167,937)
Proceeds from Disposal of Property, Plant and Equipment	710	0
Decrease (Increase) in Other Assets	650	1,604
Net Cash Provided by (Used in) Investing Activities	(2,836,422)	(3,132,390)
Cash Flows from Financing Activities		
Increase (Decrease) in Short-term Loans	500,000	112,335
Proceeds from Long-term Debt	0	822,500
Repayment of Long-term Debt	(1,156,500)	(146,000)
Cash Dividends Paid	(2,010,661)	(299,627)
Proceeds from Issuance of Shares	97,699	5,573,442
Exercise of Employee Stock Options	0	2,114
Net Cash Provided by (Used in) Financing Activities	(2,569,462)	6,064,764
Net Increase (Decrease) in Cash and Cash Equivalents	(3,977,522)	4,589,477
Cash and Cash Equivalents, Beginning of year	6,206,538	874,528
Cash and Cash Equivalents, End of year	\$2,229,016	\$5,464,005
Supplemental Cash Flow Information		
Interest Paid	\$43,626	\$48,906
Interest Paid- Excluding Capitalized Interest	\$43,626	\$48,906
Income Tax Paid	\$475,122	\$897
Non-cash Investing and Financing Activities		
Current Portion of Long-term Liabilities	\$1,352,500	\$1,371,500
Employee Bonus Payable and Compensation Due to Directors and Supervisors	\$70,000	\$27,000
Investing Activities Affecting Both Cash and Non-cash Items		
Cash Paid for Acquisition of Property, Plant and Equipment		
Increase in Property, Plant and Equipment	\$1,136,317	\$2,183,867
Increase (Decrease) in Payable for Equipment Purchased	\$283,474	(\$15,930)
Cash Paid for Acquisition of Property, Plant and Equipment	\$1,419,791	\$2,167,937
Other Supplemental Information		
Issuance of common stock in exchange for Available-for-sale financial assets	1,851,892	0
Reclassification of financial assets carried at cost to other receivables from related parties	1,477,714	0
Increase in Equity-method investments	1,593,809	26,096
Investment contribution from receivables from related parties	(756,809)	0
Acquisition of Investments Accounted for by Equity Method	837,000	26,096