

Sino-American Silicon Products Inc.

2015 Annual General Shareholders' Meeting Minutes

Time: 9:00 a.m., Thursday, June 25, 2015

Place: 2F, No. 1. Industrial East Road 2, Science-Based Industrial Park, Hsinchu
(Science Park Life Hub/Darwin Hall)

Total common shares outstanding: 580,013,151 shares

Attending shareholders and proxy representing: 384,002,196 shares

Ratio of Attending shareholders and proxy representing to total common shares outstanding:
66.20%

Presence of directors and supervisors: 12

Chairman Ming-kung Lu

Director Tan-liang Yao

Hsiu-lan Hsu

Wen-huei Tsai

Kuei-chang Hsu

Hau Fang: Kai-chiang Company Representative

Tie-chih Sun: Mau-yang Co., Ltd. Representative

May-yuan Chang: Kun-chan Co. Ltd. Representative

Ting-ko Chen

Angela Huang

Bin-kuen Chang, Chih-shih Chao: LCS lawyer

Mei-yu Tseng: KPMG Accountant

1. Call Meeting to Order:

The aggregate shareholding of the presenting shareholders constituted a quorum.

2. Chairman's Address:(Omitted)

3. Report Items

(1) 2014 Business Report

(2) Audit committee's 2014 Review Report

(3) 2014 execution status of endorsement and guarantee

(4) Establishment of Corporate Social Responsibility Best Practice Principles

(5) Amendments of Ethical Corporate Management Best Practice Principles

- (6) Amendments of Codes of Ethical Conduct
- (7) Rejection on private placement of common shares after the expiration date

4. Approval Items

Item 1

(Proposed by the Board of Directors)

Proposal: To accept FY 2014 business report and financial statements

Description:

- (1) SAS' 2014 Standalone and Consolidated Financial Statements were audited by KPMG CPAs, Tseng, Mei-Yu, and Huang, Yong-Hwa. The aforementioned and FY 2014 business report have been approved by the audit committee.
- (2) Please refer to the Business Report and the Financial Statements as attached.
- (3) Approval requested

Resolution:

Approved by the voting result as follows

FOR - 366,178,984 shares (95.36%)

AGAINST - 8,525 shares

ABSTAIN - 16,041,173

NULLIFICATION - 0 share

Item 2

(Proposed by the Board of Directors)

Proposal: To approve the proposal for 2014 profit distribution

Description:

- (1) As of the beginning of 2014, the Company's retained earnings is NT\$0, setting off amounts written off for 2014 of new share issuance when merging with Sunrise amounting to NT\$685,586,906, the adjustment of actuarial losses 2014 is NT\$50,666,673 and the opening balance of accumulated offset the company net losses amounting to NT\$736,253,579, and then adding net profit after tax amounting to NT\$1,128,444,682. After setting aside the legal reserve amounting to NT\$39,219,110 and special reserve amounting to NT\$352,971,993, consequently, the unappropriated retained earnings is NT\$0.
- (2) In accordance with the aforesaid, no dividends of shareholders, employees and remuneration of directors will be distributed this year.
- (3) See the 2014 Profit Distribution Table as attached.
- (4) The proposal has been approved by the first meeting of SAS audit committee on March 24th, 2015 and will be sent for acknowledgement of the shareholders' meeting after resolved by the board of directors.

(5) Resolution requested.

Resolution:

Approved by the voting result as follows

FOR - 367,226,785 shares (95.63%)

AGAINST - 8,525 shares

ABSTAIN - 14,897,173

NULLIFICATION - 0 share

5. Discussion and Election Items

Item 1

(Proposed by the Board of Directors)

Proposal: To propose the distribution of cash dividend through capital reserve for discussion

Explanation

- (1) The Company plans to distribute cash dividend through capital reserve of NT\$1,044,056,072.
The distribution ratio is determined by the holding ratio of shareholders in the register of shareholders on the record date of the distribution. Each share will be distributed NT\$1.8 cash dividend.
- (2) The capital premium will be distributed cash rounding to dollar unit. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the distribution date.
- (3) In the event that the proposed capital reserve distribution is affected by an amendment to relevant laws or regulations, a buyback of shares, or issuance or cancellation of transferring treasury shares to employees, and execution of warrant etc., it is proposed by the AGM that the Board of Directors be authorized to adjust the cash and stock to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.
- (4) The proposal has been approved by the 2015 first audit committee dated on March 24th, 2015 and submitted to the board of directors for resolution.
- (5) Resolution requested.

Resolution:

Approved by the voting result as follows

FOR - 367,361,986 shares (95.67%)

AGAINST - 8,523 shares

ABSTAIN - 14,897,173

NULLIFICATION - 0 share

Item 2

(Proposed by the Board of Directors)

Proposal: To revise the Acquisition or Disposal of Assets Procedure, submitted for discussion.

Description:

- (1) A partial amendment to the Acquisition or Disposal Assets Procedure is proposed in response to the regulation amendment and business needs of the Company.
- (2) For comparison chart of the Acquisition or Disposal Assets Procedure, please refer to page 35 of this handbook.
- (3) This proposal has been approved by 2015 the first committee dated March 24th, 2015 and submitted to the board of directors for resolution.
- (4) Resolution requested.

Resolution:

Approved by the voting result as follows

FOR - 367,226,787 shares (95.63%)

AGAINST - 8,524 shares

ABSTAIN - 14,897,173

NULLIFICATION - 0 share

Item 3

(Proposed by the Board of Directors)

Proposal: To revise the Procedures for Endorsement and Guarantee, submitted for discussion.

Description:

- (1) A partial amendment to the Procedures for Endorsement and Guarantee is proposed in response to the regulation amendment.
- (2) For comparison chart of the Procedures for Endorsement and Guarantee, please refer to the attachment.
- (3) This proposal has been approved by 2015 the first committee dated March 24th, 2015 and submitted to the board of directors for resolution.
- (4) Resolution requested.

Resolution:

Approved by the voting result as follows

FOR - 367,226,784 shares (95.63%)

AGAINST - 8,527 shares

ABSTAIN - 14,897,173

NULLIFICATION - 0 share

6. Supplementary Motions: None

Shareholder's statement: Stated by shareholder No. 95284 and advised/responded by the chairman.

7. Meeting Adjourned: 10:18

Please note that the above is an English translation version. If there is any discrepancy between the original Chinese version and this English translation, the Chinese version shall prevail.

Attachment 1

Sino-American Silicon Products Inc.

Fiscal 2014 BUSINESS REPORT

Dear shareholders,

Thank you for joining SAS 2015 annual general shareholder meeting. We deeply appreciate your support.

Due to anti-dumping impact from the US during the second half of 2014 toward the solar industry, the average selling prices for solar wafers and cells continued to decline over the past year. Solar plants in Taiwan were confronted with a great challenge. While with SAS's restless dedication and contribution from the semiconductor business, we still managed to turn around with a consolidated revenue of NT\$27.8 billion, 25% YoY, NT\$1.12 billion net profit with 282% growth compared to 2013, and NT\$2.06 earnings per share with 261% growth compare to 2013.

The 2014 operating results and 2015 business plan overview are presented as follows.

A. Operation Performance in 2014

1. Operation Performance

Unit: NT\$'000

<div>Year</div> <div>Item</div>	2014	2013	Change (%)
Operating Revenue	27,812,456	22,215,367	25.24%
Operating Costs	24,324,580	19,775,943	23.00%
Gross Profit from Operations	3,497,876	2,439,424	43.39%
Operating Expenses	2,051,082	1,810,410	13.29%
Operating Income	1,446,794	629,014	130.00%
Income before Income Tax	1,925,042	128,235	1401.18%
Net Income	1,299,267	339,842	282.32%
Net Income Attributable to the Parent Company	1,128,445	295,118	282.37%

The domino effect caused by the anti-dumping investigation from the US in 2014 resulted in plenty of order transfer in China region and strong demand for high efficiency products from the market. Data from the research institute HIS says that the total amount of global solar capacity came up to 43GW, a 20% raise during 2014 compare to 2013. SAS possesses the leading advantage with high efficiency product technology with low operating

cost, which performed as the key factor of steady increase in operating revenue. Reinvestment during 2014 also provided significant performance. GlobalWafers made a contribution of NT\$15.92 billion in consolidated revenue, NT\$2.09 billion of net income, NT\$6.6 earnings per share. In the meanwhile, merging with Sunrise Global Solar Energy in 2014 additionally enabled SAS to take the initiative in implementing the integration of up and downstream by combining the Company's production technology of high efficiency solar silicon wafers and cells.

2. Budget Implementation: No financial forecast for 2014

3. Profitability Analysis

Item		2014	2013
Capital structure analysis	Debt ratio (%)	47	48
	Long-term funds to fixed assets (%)	204	190
Return on investment analysis	Rate of return on assets (%)	3.50	1.18
	Rate of return on stock equity (%)	6.16	1.74
	Operating income to capital (%)	24.94	12.02
	Income before tax to capital	33.19	2.45
	Net income to sales (%)	4.67	1.53
	Earnings per share (NT\$)	2.06	0.57

4. Financial Structure

2014 revenue is NT\$ 27,821,456,000; operation cost is NT\$ 24,323,580,000. Operation expense is NT\$ 2,051,082,000. Other income is NT\$ 478,248,000. Net income before tax is NT\$ 1,925,042,000. Net income after tax is NT\$ 1,299,267,000. The financial structure is healthy.

5. Research & Development Status

1) 2014 Research & Development Expenditure

Unit: NT\$'000

Item / Year	2014	2013
Research and Development Expenses	823,128	695,836
Net Revenue	27,821,456	22,215,367
%	2.96	3.13

2) Research & Development Achievement in 2014

Our technology / products

- a. A5+ ultra-high efficiency multi-crystal solar wafer

- b. A5+ multi-crystal furnace hot zone design and simulation technology development
- c. A5+ high efficiency multi-crystal ingot growth technology
- d. 800kg multi-crystal ingot growth technology
- e. Slurry recycle and reuse technology development
- f. Low power consumption multi-crystal ingot growth technology development

3) Future Plan

- (1) High efficiency low reflectivity multi-crystal solar wafer
- (2) Ultra-thin solar wafer
- (3) Energy conservation hot zone technology
- (4) Low impurity diffusion multi-crystal ingot growth technology development
- (5) Silicon brick surface grinding technology development
- (6) Large dimension brick squaring technology
- (7) High throughput and low pollutant diamond

B. 2015 Operation Guideline

1. Guideline

- 1) Enhance channel construction outside the US region with product differentiation marketing strategy
- 2) Strengthen the vertical integration of the solar chain and synergies to expand its business territory
- 3) Continuous research and development with a view to improve solar product quality and conversion efficiency.
- 4) Enhance organizational improvement by a transnational integration of manufacturing technology, procurement, production and marketing of seven production bases over four countries to minimize the cost.
- 5) Increase strategic alliances in order to accelerate the revenue growth, competitiveness and the ability to meet the market changes.

- 2. Sales forecast: in line with the statistics analysis by HIS, growth of solar market in 2015 is estimated to exceed 16%. While subsidies from governments have been reducing year by year along with the interference factor as trading war still existing, long-term demand from the solar market continues to grow and is estimated to exceed more than 60G approximately by 2017. Accordingly, in addition to strengthening the core technical capabilities for developing high value added niche products, production of more efficient products will be actively expanded in an attempt to play the key role in the supply chain of solar materials.

C. Sales and Production Policy

1. SAS has developed the industry's highest efficiency multi-crystalline wafers as well as P-type monocrystalline cells (CELCO) which have been successfully set into mass production. The supply will be expanding in the future to provide customers with high-quality materials and to keep competitive in the solar silicon market.
2. With the steady market growth in the high efficiency products, SAS is also actively expanding production capacity quarterly in order to increase its market share. To lower anti-dumping impact from the US, enhancement of marketing and promotion over non-US region will be carried on.
3. To establish sound operating scale, SAS will continue to take the initiative in developing systematical integration with downstream firms and strategy alliance to remain competitive.
4. SAS will take the initiative in developing markets and orders of automotive and smart phone components along with production capacity expansion in order to attract more orders of 4"~12" wafers.

D. Future Strategy

1. Take the initiative in developing high conversion efficiency wafers of the next generation in addition to core technology enhancement to provide customers with outstanding products and thus to acquire competitive advantage over the international market.
2. Strategic alliance for vertical integration so as to increase added value and coordinate service for business opportunity.
3. Expand industry-university collaboration and product uniqueness through high product creativity to maintain its leadership of the technology.
4. Close collaboration with downstream firms to take control of the market demand and development trend.
5. Integration of production and technology platforms within each company domestically and overseas so as to fully utilize every resource for a most efficient sales strategy application.

E. Influences from Completion, Regulation and Economy

1. With the appearance of new competitors, SAS continues to take the initiative in maintaining the leadership in the high efficiency technology and developing product differential strategy for providing even better products and service.
2. In response to the flat selling prices, SAS will make an effort to control production cost and accordingly integrate with mid and downstream resources to create synergies with more profit possibilities.

3. Strengthen market diversification and develop products of high differentiation

In summary, as the global solar and semiconductor markets are still in a trend of steady growth, especially ongoing demand for the high efficiency solar products, SAS thus tends to be aggressive in expanding the production of high efficiency mono cell, CELCO. GlobalWafers, its semiconductor subsidiary, still holds up quite a market advantage in silicon wafers of automotive components and power devices. Strong demand for power ICs and drivers of automobiles and cell phones has made the semiconductor group of SAS successfully expand the main product production bit by bit to meet customers' needs. SAS is fully confident in solar and semiconductor business' global arrangement, resource integration of the groups and high technology/product differentiation strategy. Furthermore the company will continue to raise the market share and maximize its operating profit to create better prosperity for the best returns to all shareholders.

Finally, we would like to thank every shareholder for supporting SAS over the years. We wish you a healthy and prosperous life.

Chairman	Ming-Kung Lu
President	Hsiu-Lan Hsu
Chief Account	Mei-Ying Chiu

Attachment 2

Audit Committee Review Audit Report

The Board of Directors has prepared the Company's 2014 Business Report, Consolidated and Standalone Financial Statements and Earnings Distribution Proposal. Sino American Silicon Products Inc. Stand-alone and Consolidated Financial Statements have been audited and certified by Tseng, Mei-Yu, CPA, and Huang, Yong-Hwa, CPA, of KPMG and an audit report relating to the Financial Statements has been issued. The Business Report, Stand-alone and Consolidated Financial Statements and Earnings Distribution Proposal have been reviewed and considered to be complied with relevant rules by the undersigned, the supervisor of Sino American Silicon Products Inc. According to Article 219 of the Company Law, I hereby submit this report.

Sino American Silicon Products Inc

Audit Committee Convener:

Ting-Kuo Chen

April 20, 2015

Attachment 3

Sino-American Silicon Products Inc.

Independent Auditors' Audit Report

The board of directors

Sino-American Silicon Products Inc.

We have audited the accompanying statements of financial position of Sino-American Silicon Products Inc. (the "Company") as of December 31, 2014 and 2013, and January 1, 2012, and the related parent-company-only statements of profit or loss and other comprehensive income, changes in stockholders' equity, and cash flows for the years ended December 31, 2014 and 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of equity-method investees. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion is based solely on the reports of the other independent auditors insofar as it relates to the differences between acquisition cost and identifiable net assets, for which we have performed the required procedures and adjusted accordingly. The related long-term investment balances of NT\$2,004,864 thousand and NT\$3,668,256 thousand (6% and 12% of total assets) as of December 31, 2014 and 2013, respectively, and the share of profit or loss of subsidiaries and associates accounted for using the equity method amounting to NT\$(55) thousand and NT\$(207,934) thousand (0% of loss before income tax and (171)% of profit before income tax) for the years ended 2014 and 2013, respectively, are based solely on the reports of the other independent auditors.

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Sino-American Silicon Products Inc. as of December 31, 2014 and 2013, and the results of its operations and its

cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

KPMG

Hsinchu, Taiwan (the Republic of China)

March 30, 2015

Attachment 4

2014 FINANCIAL STATEMENTS

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Financial Position

December 31, 2014 and 2013

(expressed in thousands of New Taiwan dollars)

Assets	December 31, <u>2014</u>		December 31, <u>2013</u>	
Current assets:		%		%
Cash and cash equivalents	\$ 1,460,560	5	343,226	1
Notes and trade receivable, net	1,110,375	3	706,546	2
Accounts receivable from related parties	397,283	1	372,171	1
Inventories, net	1,387,777	4	891,129	3
Prepayments for materials	627,068	2	858,701	3
Other current assets	175,582	—	148,731	1
Other financial assets – current	<u>264</u>	—	<u>24</u>	—
	<u>5,158,909</u>	15	<u>3,320,528</u>	11
Non-current assets:				
Available-for-sale financial assets – non-current	858,637	3	1,000,245	4
Financial assets carried at cost – non-current	867,323	3	795,028	3
Investments accounted for using equity method	16,234,271	53	17,710,460	60
Property, plant and equipment, net	5,999,176	19	3,882,361	13
Intangible assets	17,785	—	—	—
Deferred income tax assets	176,288	1	252,907	1
Long-term accounts receivable from related parties	—	—	—	—
Other financial assets – non-current	66,073	—	43,110	—
Long-term prepayments for materials	<u>1,791,500</u>	6	<u>2,404,767</u>	8
	<u>26,010,993</u>	85	<u>26,088,878</u>	89
Total Assets	\$ <u>31,169,902</u>	100	<u>29,409,406</u>	100

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Financial Position (continued)

December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

Liabilities and Stockholders' Equity	December 31,		December 31,	
	<u>2014</u>		<u>2013</u>	
Current liabilities:		%		%
Short-term borrowings	\$ 750,000	3	1,107,171	4
Notes and accounts payable	974,128	3	1,006,783	4
Payables to related parties	82,500	—	486,958	2
Payroll and bonus payable	332,017	1	140,633	—
Revenue received in advance for sales	784,432	3	1,286,239	4
Provision – current	—	—	119,519	—
Other current liabilities	339,237	1	167,707	1
Current portion of long-term loans payable	<u>666,667</u>	2	<u>166,667</u>	1
	<u>3,988,981</u>	13	<u>4,481,677</u>	16
Non-current liabilities:				
Long-term loans payable	3,808,667	12	4,372,783	15
Liability reserve	427,000	1	—	—
Other liabilities – non-current	321,480	1	30,868	—
Revenue received in advance for sales – non-current	<u>1,725,353</u>	6	<u>2,226,454</u>	7
	<u>6,282,682</u>	20	<u>6,630,105</u>	22
Total Liabilities	<u>10,271,663</u>	33	<u>11,111,782</u>	38
Equity:				
Common stock	<u>5,800,312</u>	19	<u>5,231,191</u>	18
Capital surplus	<u>16,995,509</u>	55	<u>14,977,502</u>	51
Retained earnings:				
Legal reserve	220,409	1	213,967	1
Special reserve	160,330	1	102,349	—
Unappropriated earnings (accumulated deficits)	<u>392,191</u>	1	<u>64,423</u>	—
	<u>772,930</u>	3	<u>380,739</u>	1
Other equity	<u>(2,670,512)</u>	(10)	<u>(2,291,808)</u>	(8)
Total Equity	<u>20,898,239</u>	67	<u>18,297,624</u>	62
Total Liabilities and Equity	\$ <u>31,169,902</u>	100	<u>29,409,406</u>	100

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Profit or Loss and Other Comprehensive Income

Years ended December 31, 2014 and 2013

(expressed in thousands of New Taiwan dollars, except for earnings per share)

		<u>2014</u>		<u>2013</u>	
			%		%
Operating revenues:	\$	9,175,737	100	5,208,835	100
Cost of goods sold		<u>9,895,108</u>	<u>108</u>	<u>6,564,673</u>	<u>126</u>
Gross loss		<u>(719,371)</u>	<u>(8)</u>	<u>(1,355,838)</u>	<u>(26)</u>
Operating expenses:					
Selling		35,529	—	17,995	—
General and administrative		118,231	1	94,226	2
Research and development		<u>190,443</u>	<u>2</u>	<u>155,141</u>	<u>3</u>
Total operating profit		<u>344,203</u>	<u>3</u>	<u>267,362</u>	<u>5</u>
Operating loss		<u>(1,063,574)</u>	<u>(1)</u>	<u>(1,623,200)</u>	<u>(31)</u>
Non-operating income and (expenses):					
Other income		16,558	—	9,839	—
Other gains and (losses)		161,402	2	115,409	2
Interest expense		<u>(97,751)</u>	<u>(1)</u>	<u>(103,519)</u>	<u>(2)</u>
Share of profit or loss of subsidiaries and associates accounted for using equity method		<u>2,121,126</u>	<u>23</u>	<u>1,723,219</u>	<u>33</u>
Total non-operating income and expenses		<u>2,201,335</u>	<u>24</u>	<u>1,744,948</u>	<u>33</u>
Profit from continuing operations before income tax		1,137,761	13	121,748	2
Income tax expense		<u>9,316</u>	—	<u>(173,370)</u>	<u>(3)</u>
Net profit (loss)		<u>1,128,445</u>	<u>13</u>	<u>295,118</u>	5
Other comprehensive income (loss) :					
Exchange differences on translation of foreign operations		44,274	—	24,847	—
Unrealized gain (loss) on available-for-sale financial assets		<u>(196,282)</u>	<u>(2)</u>	304,883	6
Actuarial loss on defined benefit plans		<u>(1,782)</u>	—	<u>(2,200)</u>	—
Share of other comprehensive income of subsidiaries and associates accounted for using equity method		<u>(255,702)</u>	<u>(3)</u>	<u>(887,152)</u>	<u>(17)</u>
Income tax related to other comprehensive income		<u>(4,684)</u>	—	<u>(4,224)</u>	—
Total other comprehensive income (loss), net of income tax		<u>(414,176)</u>	<u>(5)</u>	<u>(563,846)</u>	<u>(11)</u>
Total comprehensive income (loss)	\$	<u>714,269</u>	<u>8</u>	<u>(268,728)</u>	<u>(6)</u>
Earnings per share (in dollars)					
Basic earnings (loss) per share	\$	<u>2.06</u>		<u>0.57</u>	

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Changes in Stockholders' Equity

Years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

			Retained Earnings				Other Equity						
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Exchange differences on translation	Unrealized gain (loss) on available-for-sale financial assets	other	Total	Treasury stock	Total equity
Balance at January 1, 2013	\$	5,231,191	14,878,908	987,717	604,810	1,498,442	94,085	(628,954)	(1,107,472)	—	1,736,426	(256,695)	18,211,063
Net profit for 2013		—	—	—	—	295,118	295,118	—	—	—	—	—	295,118
Other comprehensive loss for 2013		—	—	—	—	(8,464)	(8,464)	(860,265)	304,883	—	(555,382)	—	(536,846)
Total comprehensive loss for 2013		—	—	—	—	286,654	286,654	(860,265)	304,883	—	(555,382)	—	(268,728)
Appropriation and distribution of retained earnings													
Legal reserve		—	—	—	102,349	(102,349)	—	—	—	—	—	—	—
Legal used to offset company losses		—	—	(773,750)	—	773,750	—	—	—	—	—	—	—
Special reserve used to offset company losses		—	—	—	604,810	604,810	—	—	—	—	—	—	—
Adjustment for changes in investees' equity		—	49,409	—	—	—	—	—	—	—	—	—	49,409
Treasury stock acquired		—	—	—	—	—	—	—	—	—	—	(5,749)	(5,749)
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees		—	17,966	—	—	—	—	—	—	—	—	—	17,966
Treasury stock transferred to employees		—	31,219	—	—	—	—	—	—	—	—	262,444	293,663
Balance at December 31, 2013		5,231,191	14,977,502	213,987	102,349	64,423	380,739	(1,489,219)	(802,589)	—	(2,291,808)	—	18,297,624
Net profit for 2014		—	—	—	—	1,128,445	1,128,445	—	—	—	—	—	1,128,445
Other comprehensive income (loss) for 2014		—	—	—	—	(50,667)	(50,667)	(172,185)	(191,324)	—	(363,509)	—	(414,176)
Total comprehensive income (loss) for 2014		—	—	—	—	1,077,778	1,077,778	(172,185)	(191,324)	—	(363,509)	—	714,269

See accompanying notes to consolidated financial statements.

SINO-AMERICAN SILICON PRODUCTS INC.

Statements of Changes in Stockholders' Equity (continued)
Years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

Appropriation and distribution of retained earnings (Note):													
Special reserve	—	—	—	57,981	(57,981)	—	—	—	—	—	—	—	
Legal reserve	—	—	6,442	—	(6,442)	—	—	—	—	—	—	—	
Issuance of common share for acquisition	568,881	2,280,177	—	—	(685,587)	(685,587)	8,206	—	—	(8,206)	—	2,155,265	
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees	—	22,696	—	—	—	—	—	—	—	—	—	22,696	
Capital surplus cash dividend declared	—	(523,142)	—	—	—	—	—	—	—	—	—	(523,142)	
Execution of employee stock options	240	1,106	—	—	—	—	—	—	—	—	—	1,346	
Difference of equity accounted investees	—	83,939	—	—	—	—	—	—	(6,989)	(6,989)	—	<u>76,950</u>	
Proceeds from sales of subsidiaries' equity to non-controlling invest	—	<u>153,231</u>	—	—	—	—	—	—	—	—	—	<u>153,231</u>	
Balance at December 31, 2014	\$	<u>5,800,312</u>	<u>16,995,509</u>	<u>220,409</u>	<u>160,330</u>	<u>392,191</u>	<u>772,930</u>	<u>(1,669,610)</u>	<u>(993,913)</u>	<u>(6,989)</u>	<u>(2,670,512)</u>	<u>-</u>	<u>20,898,239</u>

Note: There was no directors' and supervisors' remuneration and employee bonuses.

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Cash Flows

Years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Income (loss) before tax	\$ 1,137,761	121,748
Adjustments :		
Adjustments for:		
Depreciation	515,271	1,043,757
Amortization	1,482	—
Provision for (reversal of) allowance for doubtful accounts	466	4
Interest expenses	97,751	103,519
Interest income	(4,847)	(636)
Dividend income	(11,711)	(9,203)
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees	22,696	49,185
Share of profit or loss of subsidiaries and associates accounted for using equity method	(2,121,126)	(1,723,219)
Loss from disposal and write-off of property, plant and equipment	(13,532)	
Gain on disposal of available-for-sale financial assets, net	—	(62,342)
Loss on disposal of equity-method investments	—	19,226
Loss on non-financial asset impairment	444,256	—
Expense with no effect on cash flow	7,516	654
Provision for (reversal of) inventory obsolescence and devaluation loss	1,317	(3,607)
Total adjustments to reconcile income (loss) before tax	<u>1,060,461</u>	<u>(582,662)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable (including related parties)	251,403	(608,444)
Inventories	(156,553)	(547,030)
Prepayments for materials	720,568	571,500
Other current assets	119,323	110
Other financial assets	29,146	2,418
Financial assets designated as at fair value through profit or loss	654	—
Total changes in operating assets	<u>964,541</u>	<u>(581,446)</u>

Changes in operating liabilities:		
Notes and accounts payable (including related parties)	(604,214)	910,568
Provision	(119,519)	(147,097)
Revenue received in advance for sales	(763,317)	(658,824)
Accrued expenses and other current liabilities	31,072	113,268
Accrued pension liabilities	(1,791)	4,315
Total changes in operating liabilities	(1,457,769)	222,230
Total changes in operating assets and liabilities	(493,228)	(359,216)
Total adjustments	(1,553,698)	(941,878)
Cash inflow (outflow) generated from operations	(415,928)	(820,130)
Interest received	4,847	636
Dividend paid	11,711	9,203
Interest paid	(101,446)	(106,077)
Income tax refunded (paid)	—	124,432
Net cash outflows used in operating activities	(500,816)	(791,936)

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Cash Flows (continued)

Years ended December 31, 2014 and 2013

(expressed in thousands of New Taiwan dollars)

	<u>2014</u>	<u>2013</u>
Cash flows from investing activities:		
Acquisition of financial assets available for sale	\$ (54,674)	—
Proceeds from disposal of available-for-sale financial assets	—	70,308
Acquisition of financial assets carried at cost	(169,902)	(13,433)
Acquisition of equity-accounted investees	(423,145)	(165,358)
Acquisition of subsidiaries (excluding cash obtained)	904,023	(791,002)
Acquisition of property, plant and equipment	(206,752)	(90,150)
Disposal of property, plant and equipment	31,324	—
Dividends from equity-accounted investees	1,795,723	876,554
Increase in restricted certificate of deposit	12,182	(34,823)
Decrease in refundable deposits	96,306	716
Refund from capital reduction of subsidiaries	53,880	—
Net cash used in investing activities	<u>2,038,965</u>	<u>(147,188)</u>
Cash flows from financing activities:		
Increase (decrease) in other payables to related parties	(98,357)	98,357
Increase in short-term borrowings	(357,171)	807,171
Increase in long-term loans payable	800,000	3,837,550
Repayment of long-term loans payable	(864,116)	(4,176,577)
Payments of cash dividends	(523,142)	—
Proceeds from sales of subsidiaries' equity to non-controlling interest	620,625	—
Treasury stock acquired	—	(5,749)
Treasury stock transferred to employees	—	262,444
stock option for employees	1,346	—
Net cash flows from financing activities	<u>(420,815)</u>	<u>823,196</u>
Net decrease in cash and cash equivalents	1,117,334	(115,928)
Cash and cash equivalents at beginning of year	343,226	459,154
Cash and cash equivalents at end of year	\$ <u>1,460,560</u>	<u>343,226</u>
Fair value of assets and (liabilities) of associates acquired:		
Cash and cash equivalents	\$ 904,023	18,857
Financial assets designated as at fair value through profit or loss	140,647	—
Notes and trade receivable, net	680,808	—
Inventory	341,412	—

Other current assets	55,964	—
Other current financial assets	29,386	—
Prepayment for materials	545,241	—
Equity-method investments	572,132	1,374,554
Property, plant and equipment	2,375,624	—
Intangible asset	19,267	—
Other assets — non-current	27,532	37
Other assets — non-current financial assets	131,451	—
Financial liabilities designated as at fair value through profit or loss	(139,993)	—
Notes and trade payable	(265,458)	—
Other current liabilities	(294,264)	—
Provision - non-current	(427,000)	—
Other liabilities — non-current	(300,891)	(3)
Exchange differences on translation of foreign financial Statements	<u>8,206</u>	<u>—</u>
Fair value of subsidiary's equity at acquisition date	4,404,087	1,393,454
Less: Fair value of associates before acquisition date	(2,240,616)	(583,595)
Issuance of new shares, consolidation	(2,163,471)	—
Cash proceeds from acquisition of associates	<u>(904,023)</u>	<u>(18,857)</u>
Acquisition of associates	\$ <u>(904,023)</u>	<u>791,002</u>

Independent Auditors' Report

The Board of Directors

Sino-American Silicon Products Inc.

We have audited the accompanying consolidated statements of financial position of Sino-American Silicon Products Inc. and subsidiaries (collectively, the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income or loss and comprehensive income, statements of changes in stockholders' equity, and cash flows for the years ended December 31, 2014 and 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial reports of the subsidiary Sunrise Global Solar Energy Corporation for the year ended December 31, 2013, which are long-term investment under the equity method, and those financial statements were audited by other auditors. Those reports have been furnished to us, and our opinion, insofar as it relates to the differences between acquisition cost and identifiable net assets, for which we have performed the required procedures and adjusted accordingly is based solely on the reports of the other auditors. The total assets of the above subsidiaries were NT\$4,968,019 thousand (13% of consolidated total assets) as of December 31, 2013, and its total revenue was NT\$1,454,890 (7% of consolidated total revenue) for the years ended December 31, 2013. The related equity-method long-term investment balances were NT\$2,004,864 thousand, NT\$1,475,653 thousand as of 2014 and 2013, and the investment loss amounted to NT\$(55) thousand and NT\$(226,002) in 2014 and 2013, respectively.

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sino-American Silicon Products Inc and subsidiaries as of December 31, 2014 and 2013, and the results of their consolidated operations and their consolidated cash

flows for the years ended December 31, 2014 and 2013, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

In addition, we have audited the parent-company-only financial statements of Sino-American Silicon Products Inc. as of and for the years ended December 31, 2014 and 2013, on which we have issued a modified unqualified opinion.

KPMG

Hsinchu, Taiwan (the Republic of China)

March 30, 2015

SINO-AMERICAN SILICON PRODUCTS INC.

Consolidated Statements of Financial Position

December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

Assets	December 31,		December 31,	
	<u>2014</u>		<u>2013</u>	
Current assets:		%		%
Cash and cash equivalents	\$ 5,390,582	13	3,682,154	9
Financial assets designated as at fair value through profit or loss - current	5,225	—	8,773	—
Notes and trade receivable, net	4,711,791	12	3,845,632	10
Accounts receivable from related parties, net	306,955	1	218,413	1
Inventories	4,606,999	11	4,415,896	11
Prepayments for materials	1,007,547	2	1,246,382	3
Other current assets	396,266	1	347,755	1
Other financial assets – current	<u>386,439</u>	1	<u>100,273</u>	—
	<u>16,811,804</u>	41	<u>13,865,278</u>	35
Non-current assets:				
Available-for-sale financial assets - non-current	858,637	2	1,000,245	3
Financial assets carried at cost – non-current	1,403,767	3	1,366,818	3
Investments accounted for using equity method	2,004,864	5	1,475,653	4
Property, plant and equipment, net	15,243,561	37	16,097,846	41
Intangible assets	694,238	2	656,780	1
Other assets - non-current	841,462	2	962,919	2
Other financial assets – non-current	242,350	1	372,242	1
Long-term prepayments for materials	<u>2,786,433</u>	7	<u>3,875,861</u>	10
	<u>24,075,312</u>	59	<u>25,808,364</u>	65
Total Assets	\$ <u>40,887,116</u>	100	<u>39,673,642</u>	100

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES

Consolidated Statements of Financial Position

December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

	December 31,			December 31,		
	<u>2014</u>			<u>2013</u>		
Liabilities and Stockholders' Equity						
Current liabilities:		%			%	
Short-term borrowings	\$ 2,819,368	7		2,409,093	6	
Notes and accounts payable	2,584,312	7		2,750,094	7	
Payables to related parties	128,436	—		4,394	—	
Payroll and bonus payable	775,832	2		526,307	1	
Provision – current	608,268	1		661,155	2	
Other current liabilities	1,382,655	3		1,310,794	3	
Revenue received in advance for sales	826,221	<u>2</u>		<u>1,278,510</u>	<u>3</u>	
Current portion of long-term loans payable	<u>666,667</u>	<u>2</u>		<u>166,667</u>	—	
	<u>9,791,759</u>	<u>24</u>		<u>9,107,014</u>	<u>22</u>	
Non-current liabilities:						
Long-term loans payable	3,808,667	9		4,372,783	11	
Liability reserve - non-current	1,146,415	3		1,652,650	5	
Other liabilities – non-current	2,831,602	7		2,008,170	5	
Revenue received in advance for sales – non-current	<u>1,725,535</u>	<u>4</u>		<u>1,947,134</u>	<u>5</u>	
	<u>9,512,219</u>	<u>23</u>		<u>9,980,737</u>	<u>26</u>	
Total Liabilities	<u>19,303,978</u>	<u>47</u>		<u>19,087,751</u>	<u>48</u>	
Equity:						
Common stock	<u>5,800,312</u>	<u>14</u>		<u>5,231,191</u>	<u>13</u>	
Capital surplus	<u>16,995,509</u>	<u>42</u>		<u>14,977,502</u>	<u>38</u>	
Retained earnings:						
Legal reserve	220,409	1		213,967	1	
Special reserve	160,330	—		102,349	—	
Unappropriated earnings (accumulated deficits)	<u>392,191</u>	<u>1</u>		<u>64,423</u>	—	
	<u>772,930</u>	<u>2</u>		<u>380,739</u>	<u>1</u>	
Other equity	<u>(2,670,512)</u>	<u>(7)</u>		<u>(2,291,808)</u>	<u>(6)</u>	
Total equity attributable to owners of the Company	<u>20,898,239</u>	<u>51</u>		<u>18,297,624</u>	<u>46</u>	
Non-controlling interests	<u>684,899</u>	<u>2</u>		<u>2,288,267</u>	<u>6</u>	
Total Equity	<u>21,583,138</u>	<u>53</u>		<u>20,585,891</u>	<u>52</u>	
Total Liabilities and Equity	\$ <u>40,887,116</u>	<u>100</u>		<u>39,673,642</u>	<u>100</u>	

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES
Consolidated Statements of Profit or Loss and Other Comprehensive Income
Years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan Dollars, except for earnings per common share)

		<u>2014</u>		<u>2013</u>	
			%		%
Operating revenues:	\$	27,821,456	100	22,215,367	100
Cost of goods sold		<u>24,323,580</u>	<u>87</u>	<u>19,775,943</u>	<u>89</u>
Gross loss		<u>3,497,876</u>	<u>13</u>	<u>2,439,424</u>	<u>11</u>
Operating expenses:					
Selling and distribution		467,768	2	322,377	1
General and administrative		760,486	3	792,197	4
Research and development		<u>823,128</u>	<u>3</u>	<u>695,836</u>	<u>3</u>
Total operating profit		<u>2,051,082</u>	<u>8</u>	<u>1,810,410</u>	<u>8</u>
Operating income (loss)		<u>1,446,794</u>	<u>5</u>	<u>629,014</u>	<u>3</u>
Non-operating income and gains (expenses and losses):					
Other income		60,777	—	26,687	—
Other gains and (losses)		551,895	2	(153,958)	(1)
Interest expense		(134,369)	—	(147,175)	(1)
Share of the profit or loss of equity-accounted investees		(55)	—	(226,333)	(1)
Total non-operating income and expenses		<u>478,248</u>	<u>2</u>	<u>(500,779)</u>	<u>(3)</u>
Profit from continuing operations before income tax		1,925,042	7	128,235	—
Income tax expense (benefit)		<u>625,775</u>	<u>2</u>	<u>89,302</u>	—
Profit (loss) from continuing operations		<u>1,299,267</u>	<u>5</u>	<u>38,933</u>	—
Discontinued operations - profit (loss) from discontinued operations		—	—	<u>300,909</u>	<u>1</u>
Profit (loss) of the year		<u>1,299,267</u>	<u>5</u>	<u>339,842</u>	1
Other comprehensive income (loss) :					
Foreign currency translation adjustments		(244,645)	(1)	(1,052,020)	(4)
Net change in fair value of available-for-sale financial assets		(196,282)	(1)	304,883	1
Recognized liabilities for defined benefit obligations		(91,868)	—	(8,550)	—
Total share of comprehensive income of associates and joint ventures accounted for using equity method		27,534	—	—	—
Income tax expense (benefit) related to other comprehensive income		<u>90,217</u>	<u>—</u>	<u>174,686</u>	<u>1</u>
Other comprehensive income (loss) for the year, net of taxes		<u>(415,044)</u>	<u>(2)</u>	<u>(581,001)</u>	<u>(2)</u>
Total comprehensive income (loss) for the year		<u>884,223</u>	<u>3</u>	<u>(241,159)</u>	<u>(1)</u>
Profit attributable to:					
Owners of the Company		1,128,445	4	295,118	1

Non-controlling interests	<u>170,822</u>	<u>1</u>	<u>44,724</u>	—
	<u>1,299,267</u>	<u>5</u>	<u>339,842</u>	<u>1</u>
Total other comprehensive income attributable to:				
Owners of the Company	<u>714,269</u>	<u>3</u>	<u>(268,728)</u>	<u>(1)</u>
Non-controlling interests	<u>169,954</u>	—	<u>27,569</u>	—
	<u>884,223</u>	<u>3</u>	<u>(241,159)</u>	<u>(1)</u>
Earnings per share (in dollars)				
Basic earnings (loss) per share	\$	<u>2.06</u>	<u>0.57</u>	
Continuing operations				
Basic earnings (loss) per share		2.06	-0.01	
Basic earnings (loss) per share from discontinued operations			0.58	

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
Years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan Dollars)

Equity Attributable to Owners of the Company														
	Retained Earnings							Other Equity			Treasury stock	Subtotal of equity attributable to the Company	Non-controlling interest	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation reserves	Net change in fair value of available-for-sale financial assets	other	Total				
Balance at January 1, 2013	\$ 5,231,191	14,878,908	987,717	604,810	(1,498,442)	94,085	(628,954)	(1,107,472)	—	(1,736,426)	(256,695)	18,211,063	254,700	18,465,763
Net profit for 2013	—	—	—	—	295,118	295,118	—	—	—	—	—	295,118	44,724	339,842
Other comprehensive income for 2013	—	—	—	—	(8,464)	(8,464)	(860,265)	304,883	—	(555,382)	—	(563,846)	(17,155)	(581,001)
Total comprehensive income (loss) for 2013	—	—	—	—	286,654	286,654	(860,265)	304,883	—	(555,382)	—	(268,728)	27,569	(241,159)
Appropriation and distribution of retained earnings														
Special reserve	—	—	—	102,349	(102,349)	—	—	—	—	—	—	—	—	—
Legal reserve	—	—	(773,750)	—	773,750	—	—	—	—	—	—	—	—	—
Cash dividends	—	—	—	(604,810)	604,810	—	—	—	—	—	—	—	—	—
Issuance of common stock for cash	—	49,409	—	—	—	—	—	—	—	—	—	49,409	—	49,409
Treasury stock acquired	—	—	—	—	—	—	—	—	—	—	(5,749)	(5,749)	—	(5,749)
Adjustments for disposal of subsidiaries' equity	—	—	—	—	—	—	—	—	—	—	—	—	(72,757)	(72,757)
Equity-settled shares based payment	—	17,966	—	—	—	—	—	—	—	—	—	17,966	488	18,454
Treasury stock transferred to employees	—	31,219	—	—	—	—	—	—	—	—	262,444	293,663	214	293,877
Cash dividend from subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	(12,446)	(12,446)
Acquisition of non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	2,090,499	2,090,499
Balance at December 31, 2013	5,231,191	14,977,502	213,967	102,349	64,423	380,739	(1,489,219)	(802,589)	—	(2,291,808)	—	18,297,624	2,288,267	20,585,891
Net profit for 2014	—	—	—	—	1,128,445	1,128,445	—	—	—	—	—	1,128,445	170,822	1,299,267
Other comprehensive income (loss) for 2014	—	—	—	—	(50,667)	(50,667)	(172,185)	(191,324)	—	(363,509)	—	414,176	(868)	(415,044)
Total comprehensive income (loss) for 2014	—	—	—	—	1,077,778	1,077,778	(172,185)	(191,324)	—	(363,509)	—	714,269	169,954	884,223
Appropriation and distribution of retained earnings:														
Legal reserve	—	—	6,442	—	(6,442)	—	—	—	—	—	—	—	—	—
Special reserve	—	—	—	57,981	(57,981)	—	—	—	—	—	—	—	—	—
Issuance of common share for acquisition	568,881	2,280,177	—	—	(685,587)	(685,587)	(8,206)	—	—	(8,206)	—	2,155,265	(2,155,265)	—
Equity-settled shares based trade	—	22,696	—	—	—	—	—	—	—	—	—	22,696	142	22,838
Capital surplus' cash dividend declared	—	(523,142)	—	—	—	—	—	—	—	—	—	(523,142)	-	(523,142)
Acquisition of non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	10,000	10,000
Execution of employee stock options	240	1,106	—	—	—	—	—	—	—	—	—	1,346	—	1,346
Difference of equity-accounted investees	—	83,939	—	—	—	—	—	—	(6,989)	(6,989)	—	76,950	—	76,950
Proceeds from sales of subsidiaries' equity to non-controlling interest	—	153,231	—	—	—	—	—	—	—	—	—	153,231	467,394	620,625
Subsidiaries' cash dividend declared	—	—	—	—	—	—	—	—	—	—	—	—	(95,593)	(95,593)
Balance at December 31, 2014	\$ 5,800,312	16,995,509	220,409	160,330	392,191	772,930	(1,669,610)	(993,913)	(6,989)	(2,670,512)	—	20,898,239	684,899	21,583,138

Note: There was no directors' and supervisors' remuneration and employee bonuses.

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan Dollars)

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Profit (loss) before income tax from continuing operations: \$	1,925,042	128,235
Profit (loss) before income tax from discontinued operations:	—	<u>300,909</u>
Profit (loss) before income tax	(1,925,042)	429,144
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation	2,180,043	3,484,846
Amortization	23,487	14,309
Provision for (reversal of) allowance for doubtful accounts	(888)	448
Interest expenses	134,369	147,175
Interest income	(49,066)	(17,484)
Dividend income	(11,711)	(9,203)
Equity-settled share-based payment	28,815	99,296
Share of profit or loss of equity-accounted investees	55	226,333
Loss from disposal and write-off of property, plant and equipment	(9,292)	4,139
Gain on disposal of available-for-sale financial assets, net	—	(62,342)
Loss on revaluation of investments under equity method	—	320,135
Impairment loss of non-financial assets	444,256	—
Gain on sale of discontinued operation	—	(300,909)
Provision for (reversal of) inventory obsolescence and devaluation loss	74,007	22,472
Other losses of non-cash activities	<u>7,516</u>	—
Subtotal of losses of non-cash activities	<u>2,821,591</u>	<u>3,929,215</u>
Changes in operating assets and liabilities:		
Changes in operating assets		
Notes and accounts receivable (including related parties)	(1,037,432)	(590,691)
Inventories	(24,885)	(778,158)
Financial assets designated as at fair value through profit or loss	3,548	(9,988)
Prepayments for materials	898,099	1,066,198
Other current assets	<u>(38,001)</u>	<u>(66,760)</u>

Total changes in operating assets	<u>(198,671)</u>	<u>(379,399)</u>
Changes in operating liabilities:		
Notes and accounts payable (including related parties)	31,234	70,987
Provision	(474,350)	(615,576)
Revenue received in advance	(673,888)	(967,151)
Accrued pension liabilities	(15,205)	(87,645)
Other current liabilities	<u>(284,550)</u>	<u>106,825</u>
Total changes in operating liabilities	<u>(1,416,759)</u>	<u>(1,492,560)</u>
Total changes in operating assets and liabilities	<u>(1,615,430)</u>	<u>(1,871,959)</u>
Total adjustments	<u>1,206,161</u>	<u>2,057,256</u>
Cash inflow generated from operations	3,131,203	2,486,400
Interest received	49,066	17,484
Dividend paid	11,711	9,203
Interest paid	(137,471)	(150,509)
Income tax refunded (paid)	<u>(97,240)</u>	<u>95,554</u>
Net cash inflows from operating activities	<u>2,957,269</u>	<u>2,458,132</u>

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (continued)

Years ended December 31, 2013 and 2012
(expressed in thousands of New Taiwan Dollars)

	<u>2014</u>	<u>2013</u>
Cash flows from investing activities:		
Acquisition of financial assets available for sale	\$ (54,674)	—
Proceeds from disposal of available-for-sale financial assets	—	70,308
Acquisition of financial assets carried at cost	(169,902)	(13,433)
Acquisition of investment using equity method	(333,145)	(165,358)
Disposal of discontinued operation, net of cash	—	(203,128)
Acquisition of property, plant and equipment	(1,344,168)	(1,675,579)
Proceeds from disposal of property, plant and equipment	82,249	80,054
Capital deduction from financial assets at cost	70,741	—
Decrease (increase) in refundable deposits	99,514	495,250
Increase in restricted certificate of deposit	(311,954)	(243,436)
Acquisition of subsidiary, net of cash acquired	<u>513,442</u>	<u>924,297</u>
Net cash used in investing activities	<u>(144,897)</u>	<u>(731,025)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	410,275	417,738
Increase in long-term loans payable	800,000	3,837,550
Repayment of long-term loans payable	(864,116)	(4,830,316)
Payments of cash dividends	(523,142)	—
Increase in non-controlling interests	10,000	—
Execution of employees' stock options	1,346	—
Treasury stock acquired	—	(5,749)
Proceeds from employees' purchase of treasury stock	—	262,444
Proceeds from sales of subsidiaries' equity to non-controlling interest	620,625	—
Declared cash dividend to non-controlling interest	(95,593)	(12,446)
Net cash flows from financing activities	<u>359,395</u>	<u>(330,779)</u>
Effect of exchange rate changes on cash	<u>(160,339)</u>	<u>172,441</u>
Net decrease (decrease) in cash and cash equivalents	1,708,428	1,568,769
Cash and cash equivalents at beginning of year	<u>3,682,154</u>	<u>2,113,385</u>
Cash and cash equivalents at end of year	\$ <u>5,390,582</u>	\$ <u>3,682,154</u>
Fair value of assets and liabilities of subsidiary acquired:		
Cash and cash equivalents	\$ 513,442	1,734,172
Notes and trade receivable, net	—	497,442
Accounts receivable from related parties, net	—	7,440
Inventories	240,225	269,334

Other current assets	62,085	98,688
Prepayment for materials	—	642,254
Property, plant and equipment, net	259,988	2,478,264
Other assets — non-current	62,490	223,010
Intangible assets	—	19,761
Financial liabilities designated as at fair value through profit or loss	—	(1,215)
Notes and accounts payable	—	(342,861)
Other current liabilities	—	(168,901)
Long-term loans payable	—	(430,000)
Other non-current liabilities	(1,138,230)	(319,334)
Provision	—	(427,000)
Fair value of non-controlling interest at acquisition date	—	<u>(2,090,499)</u>
Fair value of subsidiary interest at acquisition	—	2,190,555
Less: Fair value of subsidiary before acquisition date	—	(1,380,680)
Cash proceeds from acquisition of subsidiary	<u>(513,442)</u>	<u>(1,734,172)</u>
Cash paid to obtain (proceeds from obtaining) control of subsidiary (excluding discharged in cash)	\$ <u>(513,442)</u>	<u>(924,297)</u>

Attachment 5

Sino-American Silicon Products Inc.

2014 PROFIT DISTRIBUTION TABLE

(Unit: NT\$)

Items		Amount
Beginning retained earnings		0
Less: Deduction from new share issuance of equity merger		(685,586,906)
Adjusted beginning retained earnings		(685,586,906)
Less: Movement of actuarial (losses)		(50,666,673)
Adjusted retained earnings		(736,253,579)
Net profit after tax		1,128,444,682
Distributable retained earnings		392,191,103
Less :		
Appropriated legal capital reserve	(39,219,110)	
Appropriated special capital reserve	(352,971,993)	(392,191,103)
Distributable items:		
Dividend to shareholders		
Bonus to shareholders- Shares	0	
Bonus to shareholders- Cash \$0.0875	0	0
Ending balance of unappropriated retained earnings		0
Employee bonus sharing		0
Compensation of directors and supervisors		0

Chairman:

President:

Chief Account:

Attachment 6

Sino-American Silicon Products Inc.

Comparison Chart of Acquisition or Disposal of Assets Procedure

Article	Before	After	Remark
2	<p>Asset referred in this policy includes:</p> <ol style="list-style-type: none"> omit Tangible(including land, housing and construction, investment real estate, usage rights of the land, stock and equipment of the construction) and fixed assets. <p>omit</p>	<p>Asset referred in this policy includes:</p> <ol style="list-style-type: none"> omit Tangible(including land, housing and construction, investment real estate, usage rights of the land, stock and equipment of the construction) and equipment. <p>omit</p>	Revise
3	Omit	<p>Omit</p> <p>(4) The reinvestment of the Company, in accordance with the Articles of Incorporation, is not limited by the rule of article 13 of the Company Act that the reinvestment shall not exceed 40% of the paid-in capital.</p>	Revise
4	<p>Appraisal rules</p> <ol style="list-style-type: none"> The Company should proceed Acquisition or Disposal of Assets according to Article 8 of the procedure. <ol style="list-style-type: none"> Acquisition or disposal of long-term securities and fixed assets whose value under 100 million shall be approved by Chairman. Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under 100 million shall be 	<p>Appraisal rules</p> <ol style="list-style-type: none"> The Company should proceed Acquisition or Disposal of Assets according to Article 8 of the procedure. <ol style="list-style-type: none"> Acquisition or disposal of long-term securities and fixed assets whose value under 100 million shall be approved by Chairman. Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under 100 million shall be 	Revise

	<p>approved by President.</p> <p>(3) Other fixed assets shall refer POA for authority.</p> <p>2. omit</p>	<p>approved by President.</p> <p>(3) The acquisition or disposal of equipment of which amount is under NT\$100,000,000 shall be approved by the chairperson beforehand.</p> <p>2. omit</p>	
12	<p>Omit</p> <p>1.Omit</p> <p>2.Omit</p> <p>With respect to the acquisition or disposal of business-use equipment between a the Company and its parent or subsidiaries, the company's board of directors may delegate the chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>Omit</p>	<p>Omit</p> <p>1.Omit</p> <p>2.Omit</p> <p>With respect to the acquisition or disposal of business-use equipment between a the Company and its parent or subsidiaries, the company's board of directors may delegate the chairman to decide such matters when the transaction is within NT\$100,000,000 and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>Omit</p>	Revise
26	Omit	The 16th amendment was made on June 25, 2015.	Add amendment date

Attachment 7

Sino-American Silicon Products Inc.

Comparison Chart of Procedures for Endorsement and Guarantee

Article	Before	After	Remark
6	Any endorsement/guarantee provided by the Company shall be approved beforehand by the Board of Directors. A pre-determined limit of US\$1 million delegated to the Chairman by the Board of Directors to facilitate execution and such endorsement/guarantee shall be reported to the most upcoming Shareholders' Meeting for ratification.	Any endorsement/guarantee provided by the Company shall be approved beforehand by the Board of Directors. A pre-determined limit of US\$1 million delegated to the Chairman by the Board of Directors to facilitate execution.	Revise
13	omit	omit <u>The 8th amendment was made on June 25th, 2015.</u>	Add amendment date