

Stock Code : 5483



Sino-American Silicon Products Inc.

2016
Annual General Shareholders' Meeting
Meeting Handbook

Time: June 28, 2016

Place: 2F, No. 1, Industrial East Rd. 2, Science-Based
Industrial Park, Hsinchu, Taiwan, R.O.C

Science Park Life Hub/Darwin Hall

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Sino-American Silicon Products Inc.
2016 Annual General Shareholders' Meeting Procedure

1. Call Meeting to Order (Report present shares)
2. Chairman's Address
3. Discussion Items
4. Report Items
5. Approval Items
6. Extempore Motion
7. Meeting Adjourned

Sino-American Silicon Products Inc.
2016 Annual General Shareholders' Meeting Agenda

Time: 9:00 AM, Thursday, June 28, 2016

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

1. Call Meeting to Order
2. Chairman's Address
3. Discussion Items
 - (1) Amend "Articles of Incorporation"
 - (2) Discuss cash dividend distribution from capital surplus
4. Report Items
 - (1) 2015 Business report
 - (2) 2015 Audit committee report
 - (3) 2015 Distribution report on remuneration for directors and employees
 - (4) Execution report on the third repurchase of treasury stocks
 - (5) Draw up "Procedures for Ethical Management and Guidelines for Conduct"
5. Approval Items
 - (1) 2015 Business report and financial statements
 - (2) 2015 Profit distribution proposal
6. Extempore Motion
7. Meeting Adjourned

Discussion Items

Item 1

(Proposed by the Board of Directors)

Motion: Amendment to the “Articles of Incorporation”

- (1) In compliance with laws and operation need of the Company, amendment has been made to the “Articles of Incorporation.”
- (2) Please refer to the comparison chart of the Articles of Incorporation on page 7 of this handbook.
- (3) Resolution requested

Resolution:

Item 2

(Proposed by the Board of Directors)

Motion: The distribution of cash dividend through capital reserve

- (1) The Company plans to distribute cash dividend through capital reserve of NT\$402,133,306. 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\$0.7 cash dividend.
- (2) Upon the approval of the Annual General Meeting, the distribution record date will fall on July 24, 2016 and August 10th, 2016, the dividend distribution day. The capital premium will be distributed cash rounding to dollar unit. The chairman is authorized to designate a specific person for the adjustment of the total amount of the odd distribution below NT\$1.
- (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 2016 first audit committee dated on March 22, 2016 and submitted to the AGM for resolution after the approval of the board of directors.
- (5) Resolution requested.

Resolution:

Report Items

- Item 1** Fiscal 2015 Business Report submitted for review
Please refer to the Fiscal 2015 Business Report on page 9 of this handbook.
- Item 2** Audit Committee's 2015 Review Report submitted for review
Please refer to the Audit Committee's 2015 Review Report on page 14 of this handbook.
- Item 3** Distribution of remuneration to directors and employees in fiscal 2015, submitted for review
- (1) The Company is proposed to conduct 2015 distribution of remuneration to directors with NTD11,000,000 and employees with NTD58,371,967. The distribution ratio for the remuneration to directors and employees is to be 1.49% and 7.90% respectively according to the profit before tax of 2015 without deducting remuneration for directors and employees defined in the Act 29 of the "Articles of Incorporation."
 - (2) The foregoing remuneration for employees shall be distributed in cash to full-time staff of the Company by different grades, positions, performances of the year and overall contribution. All related matters are authorized to the chairman.
- Item 4** Execution report on the 3rd repurchase of treasury stocks, submitted for review
Description: Please refer to the 3rd repurchase of treasury stocks and "Rules for Share Repurchase and Transfer to Employees" on page 40 and 41 of this handbook.
- Item 5** Set up "Procedures for Ethical Management and Guidelines for Conduct"

Description: In order to establish an ethical industry culture and to advance the industrial development, it is approved by the board of directors on March 22, 2016 to set up "Procedures for Ethical Management and Guidelines for Conduct." See page 43 of the handbook for the content.

Approval Items

Item 1

(Proposed by the Board of Directors)

Motion: To accept FY 2015 business report and financial statements

- (1) SAS' 2015 Standalone and Consolidated Financial Statements were audited by KPMG CPAs, Tseng, Mei-Yu, and Huang, Yong-Hwa. The aforementioned and FY 2015 business report have been approved by the audit committee.
- (2) Please refer to the Business Report and the Financial Statements on page 9 and 30 of this handbook.
- (3) Approval requested

Resolution:

Item 2

(Proposed by the Board of Directors)

Motion: To approve the 2015 profit distribution proposal

- (1) As of the beginning of 2015, the Company's retained earnings is NT\$0. Setting off the adjustment of actuarial losses for FY 2014 of NT\$15,324,216 and adding net profit after tax amounting to NT\$534,835,987 plus the legal reserve appropriation of NT\$51,951,177, the unappropriated retained earnings is NT\$467,560,594.
- (2) In accordance with the aforesaid, it is proposed that the ex-dividend date be July 24th, 2016 and August 10th, 2016 the distribution. The dividend will be distributed cash rounding to dollar unit according to the ratio of the shareholders register by the record date. The total amount of the odd distribution below NT\$1 will be included in other income.
- (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) See the 2015 Profit Distribution Table at page 錯誤! 尚未定義書籤。 of this handbook.
- (5) The proposal has been approved by the first meeting of SAS audit committee on March 22th, 2016 and will be sent for acknowledgement to the shareholders' meeting after resolved by the board of directors.
- (6) Resolution requested.

Resolution:

Extempore Motion

Meeting Adjourned

Attachment 1

Sino-American Silicon Products Inc.

Articles of Incorporation Comparison Chart

Article	Before	After	Remark
29	<p>If the Company has profit as a result of the yearly accounting closing, it will be distributed in accordance with the following:</p> <ul style="list-style-type: none">(1) To make up for the previous loss;(2) 10% of annual income retained as legal reserve until such retention equals the amount of authorized common stock;(3) To distribute or reverse special earning reserve according to the law or competent authority;(4) After deducting item (1)-(3), the remaining balance of annual income, if any, can be distributed at most 3% as remuneration to Directors and at least <u>5%</u> as employee bonuses, the rest plus the accumulated undistributed earnings of the previous period of the profit shall be as dividends to stockholders. <p>In order to keep sustainable development for the Company and continuous growth on earnings per share, the cash dividends for shareholders shall be no less than 50% of the dividends for shareholders.</p> <p>Employees entitled to stock bonus may include subsidiaries' employees that meet certain</p>	<p>If the Company has profit after the yearly accounting closed, 3~15% of the profit shall be appropriated for the employees' remuneration distributed with stocks or cash decided by the board of directors.</p> <p>Employees entitled to bonus may include subsidiaries' employees that meet certain criteria. The Company may appropriate 3% at the most of the above profit quota decided by the board of directors for directors' remuneration. Distribution for employees and directors shall be reported to the shareholders' meeting. An offset, however, to the accumulated loss shall be reserved before making distribution to employees and directors.</p>	Revise

	criteria set by the board of directors.		
29-1		<p>Article 29-1</p> <p>If the Company has surplus after the yearly accounting closed, following taxes and offsets to the accumulated loss, another 10% shall be appropriated as legal reserve by laws. While no appropriation shall be made, if the legal reserve has reached the amount of the paid-in capital of the Company. The remaining amount shall be appropriated or transferred to special reserve according to laws and the rest along with the accumulated surplus may be proposed by the board of directors for bonus distribution to shareholders and submit to the shareholders' meeting.</p> <p>In order to maintain continuous operating of the Company and steady growth of its surplus per share, dividend for shareholders shall more than 50% of the profit after tax deducting from the appropriation of special surplus of the year by the regulations and the distribution rate of the dividend for shareholders shall be no less than 50% of the cash dividend.</p>	Add new article
31		The 29th amendment on June 28th, 2016	Add amendment date

Attachment 2

Sino-American Silicon Products Inc.

Fiscal 2015 Business Report

Dear shareholders,

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

Due to anti-dumping impact from the US during the first half of 2015 toward the solar industry coupled with exchange devaluation against JP Yen and Euro as well as subsidy reduction from governments, companies in Taiwan have encountered difficulties in operation. Fortunately, a sign of recovery was seen gradually in the solar industry from the second half of 2015. SAS not just focused on the manufacture of high efficiency solar products through leading technology and product differentiation to create a new high in revenue for five consecutive years but considerably offset its gross profit by lowering the debt ratio from 47% to 38%. Whereas due to facts of recognition of capital gain tax by NT\$120,000,000 out of reducing GlobalWafers (GWC) the subsidiary's shareholding for an initial public offering, and the increase of income tax derived from the GWC group, a decline in net income of the Company has been seen compared to the prior year. Full year 2015 consolidated net sales of the Company were NT\$28.27 billion up 1.61% from NT\$27.82 billion in the prior year. Net income was NT\$534,840,000 with an EPS of NT\$0.93.

The 2015 operating results and 2016 business plan overview are presented as follows.

A. Operation Performance in 2015

1. Operation Performance

Unit: NT\$'000

Year Item	2015 (IFRSs)	2014 (IFRSs)	Change (%)
Operating Revenue	28,269,357	27,821,456	1.61%
Operating Costs	23,998,126	24,324,580	(1.34%)
Gross Profit from Operations	4,271,231	3,497,876	22.11%
Operating Expenses	2,034,619	2,051,082	(0.80%)
Operating Income	2,236,612	1,446,794	54.59%
Income before Tax	1,960,181	1,925,042	1.83%
Net Income	1,056,402	1,299,267	(18.69%)
Net Income Attributable to the Parent Company	534,837	1,128,445	(52.60%)

The increasing demand in China, the US and emerging markets gradually drove the solar recovery in the second half of 2015. Data from the research institute IHS says that the total capacity of global solar installation in 2015 was approximately 59GW, up by over 35% compared to that in 2014. The steady revenue growth of the Company was driven by its flexible production, core technology to high efficiency niche products and product differentiation strategy. Reinvestment in 2015 also showed significant performance. GWC made a contribution of NT\$15.31 billion in consolidated revenue with NT\$2 billion of net income with an EPS of NT\$5.8.

2. Budget Implementation: No financial forecast for 2015

3. Profitability Analysis

Item		2015	2014
Financial structure	Debt ratio (%)	38	47
	Long-term funds to fixed assets (%)	191	204
Profitability	Rate of return on assets (%)	2.57	3.50
	Rate of return on stock equity (%)	4.21	6.16
	Operating income to capital (%)	38.56	24.94
	Income before tax to capital (%)	33.79	33.19
	Net income to sales (%)	3.74	4.67
	Earnings per share (NT\$)	0.93	2.06

4. Financial Structure

2015 revenue is NT\$28,269,357,000; operating cost is NT\$23,998,126,000. Operating expense is NT\$2,034,619,000. Other income is NT\$276,431,000. Net income before tax is NT\$1,960,181,000. Net income after tax is NT\$1,056,402,000. The financial structure is healthy.

5. Research & Development Status

1) 2015 Research & Development Expenditure

Unit: NT\$'000

Item / Year	2015	2014
Research and Development Expenses	790,448	823,128
Net Revenue	28,269,357	27,821,456
%	2.80	2.96

2) Research & Development Achievement in 2015

Our technology / products

- (1) 900kg low energy consumption, high quality solar multi-crystalline thermal field design of ingot furnace and ingots growth technology development

- (2) A5+ ultra-high efficiency multi-crystal ingot growth technology
- (3) High strength consumption multi-crystal ingot growth technology
- (4) Solar wafer SiC recovery and recycling technology development
- (5) Solar wafer slurry recovery and recycle technology and development
- (6) High efficiency CELCO mono solar cells technology and development

3) Future Plan

- (1) A6+ High efficiency low reflectivity multi-crystal solar wafer
- (2) 1500kg multi-crystal ingot growth technology
- (3) High strength solar wafer
- (4) Diamond wire saw slicing technology
- (5) High efficiency N-type solar crystal growth technology
- (6) G6 hot zone energy conservation technology development

B. 2015 Operation Guideline

1. Guideline

- 1) Expand capacity, marketing scale and utilization rate to reduce product costs.
- 2) Focus on the conversion rate improvement of high efficiency multi-crystal wafers and mono-crystal cell to create core advantage of competitiveness.
- 3) Strengthen the integration of up, middle and downstream resources so as to expand operating scale for steady development and raise our international competitiveness.
- 4) 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 research report by IHS, the installation demand of the global solar market in 2016 is expected to remain positive to around 69GW, up 17% compared to the prior year. Three main installation markets will remain in China, Japan and USA. Whereas the Company will keep increasing the capital expenditure and expanding the production of solar silicon wafers and cells in an attempt to push up sales volume of the year surpassing the global market performance.

3. Sales and Production Policy

- 1) Enhance channel construction outside the US region with product differentiation marketing strategy.
- 2) Close collaboration with downstream firms to develop high efficiency and value-added niche products with core technology so as to improve our profitability.
- 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. Future Strategy

- 1) Close collaboration with downstream firms to take control of the market demand and development trend so as to step in more international markets among the first grade solar manufactures.
- 2) Searching for more collaboration opportunities in alliance with up and downstream to further accelerate its strategic arrangement for solar power plants all over the world.
- 3) Lead in key technology by strategic alliances to accelerate product development and shorten time to reduce production costs and increase competitiveness of the company.
- 4) Grasping customers of downstream markets through vertical integration of the business group with niche products using core technology of the next generation so as to consolidate the exiting competitiveness and enhance our profitability.

5. Influences from External Competition, Regulations 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) Increase intellectual property rights with value-added products to improve the competitiveness of the company.

In summary, the fundamentals of the solar industry remain satisfactory in 2016. As the expectation for the solar energy supply in 2016 becomes conservative, with the price decrease of solar modules, demand of solar power energy required by markets worldwide will keep growing. The research institute IHS forecasted the global demand for the solar power energy will reach 75GW by 2019 with total generated power energy of 498GW. In addition to existing high efficiency series of products, SAS will take the initiative to bring in production of R-wafer (robust), thin and powerful high conversion silicon wafers and Celco mono-crystal cell of next generation as well as more efforts to work out downstream module brand operating and system development in order to complete a supply chain from up, mid and downstream. Meanwhile, SAS is fully confident in its excellent technology and market segmentation for profitability to 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 3

Audit Committee Review Audit Report

The Board of Directors has prepared the Company's 2015 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 22, 2016

Attachment 4

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, 2015 and 2014, 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, 2015 and 2014. 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 SAS and its subsidiary, 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 reinvestment amount of the above subsidiaries were NT\$1,487,561 thousand and NT\$2,004,864 thousand (respectively 3% and 5% of consolidated total assets) as of December 31, 2015. The related equity-method long-term investment balances were NT\$(394,214) thousand and NT\$(55) thousand respectively of (20)% and 0% of consolidated net income before tax as of 2014 and 2013.

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, 2015 and 2014, and the results of their consolidated operations and their consolidated cash flows for the years ended December 31, 2015 and 2014, 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, 2015 and 2014, on which we have issued a modified unqualified opinion.

KPMG

Hsinchu, Taiwan (the Republic of China)

March 22, 2016

Financial Statement — Consolidated Balance Sheet

Provided by: Sino-American Silicon Products Inc.

Financial year: Yearly December 31, 2015 and 2014

Unit: NT\$ thousand

Accounting Title	2015/12/31	2014/12/31
Balance Sheet		
Assets		
Current assets		
Cash and cash equivalents		
Total cash and cash equivalents	5,901,967	5,390,582
Current financial assets at fair value through profit or loss		
Current financial assets at fair value through profit or loss, designated as upon initial recognition	0	5,225
Total current financial assets at fair value through profit or loss	0	5,225
Accounts receivable, net		
Accounts receivable	5,950,667	4,711,791
Accounts receivable, net	5,950,667	4,711,791
Accounts receivable due from related parties, net		
Accounts receivable due from related parties	253,216	306,955
Accounts receivable due from related parties, net	253,216	306,955
Inventories		
Inventories, manufacturing business		
Inventories, manufacturing business, net	5,748,878	4,606,999
Total inventories	5,748,878	4,606,999
Prepayments		
Total prepayments	776,489	1,007,547
Other current assets		
Other current financial assets	47,520	386,439
Other current assets, others	602,690	396,266
Total other current assets	650,210	782,705
Total current assets	19,281,427	16,811,804
Non-current assets		
Non-current available-for-sale financial assets		
Non-current available-for-sale financial assets	1,373,871	858,637
Non-current available-for-sale financial assets, net	1,373,871	858,637
Non-current financial assets at cost		
Non-current financial assets at cost	1,362,697	1,403,767
Non-current financial assets at cost, net	1,362,697	1,403,767
Investments accounted for using equity method		
Investments accounted for using equity method	1,606,867	2,004,864
Investments accounted for using equity method, net	1,606,867	2,004,864
Property, plant and equipment		
Land, net		
Land, cost	770,267	751,847
Land, net	770,267	751,847

Buildings and structures, net		
Buildings and structures, cost	13,338,408	13,101,397
Accumulated depreciation, buildings and structures	7,088,486	6,590,303
Buildings and structures, net	6,249,922	6,511,094
Machinery and equipment, net		
Machinery and equipment, cost	40,610,309	39,036,161
Accumulated depreciation, machinery and equipment	34,406,817	33,176,843
Machinery and equipment, net	6,203,492	5,859,318
Other facilities, net		
Other facilities, cost	3,165,514	3,336,103
Accumulated depreciation, other facilities	1,727,152	1,745,898
Other facilities, net	1,438,362	1,590,205
Unfinished construction and equipment under acceptance	4,242,681	531,097
Total property, plant and equipment	18,904,724	15,243,561
Intangible assets		
Goodwill	701,566	676,453
Acquired special technology, net		
Acquired special technology	0	17,785
Acquired special technology, net	0	17,785
Total intangible assets	701,566	694,238
Other non-current assets		
Other non-current financial assets		
Other non-current financial assets, others	230,958	242,350
Total other non-current financial assets	230,958	242,350
Other non-current assets, others		
Other non-current assets, others	2,724,226	3,627,895
Total other non-current assets, others	2,724,226	3,627,895
Total other non-current assets	2,955,184	3,870,245
Total non-current assets	26,904,909	24,075,312
Total assets	46,186,336	40,887,116
Liabilities and equity		
Liabilities		
Current liabilities		
Short-term borrowings		
Bank loan	2,610,081	2,819,368
Total short-term borrowings	2,610,081	2,819,368
Accounts payable		
Accounts payable	2,726,322	2,584,312
Total accounts payable	2,726,322	2,584,312
Accounts payable to related parties		
Accounts payable to related parties	205,707	128,436
Total accounts payable to related parties	205,707	128,436
Other payables		
Wages and salaries payable	688,235	775,832
Total other payables	688,235	775,832
Current provisions		
Short-term onerous contracts provision	588,585	608,268

Total current provisions	588,585	608,268
Other current liabilities		
Advance receipts		
Advance sales receipts	276,929	826,221
Total advance receipts	276,929	826,221
Long-term liabilities, current portion		
Long-term borrowings, current portion	65,587	666,667
Total long-term liabilities, current portion	65,587	666,667
Other current liabilities, others	2,908,665	1,382,655
Total other current liabilities	3,251,181	2,875,543
Total current liabilities	10,070,111	9,791,759
Non-current liabilities		
Long-term borrowings		
Long-term bank loans	2,545,519	3,808,667
Total long-term borrowings	2,545,519	3,808,667
Non-current provisions		
Long-term onerous contracts provision	715,725	1,118,774
Long-term provision for decommissioning, restoration and rehabilitation costs	29,094	27,641
Total non-current provisions	744,819	1,146,415
Other non-current liabilities		
Other non-current liabilities, others	4,256,311	4,557,137
Total other non-current liabilities	4,256,311	4,557,137
Total non-current liabilities	7,546,649	9,512,219
Total liabilities	17,616,760	19,303,978
Equity		
Equity attributable to owners of parent		
Share capital		
Ordinary share	5,800,312	5,800,312
Total capital stock	5,800,312	5,800,312
Capital surplus		
Capital surplus, additional paid-in capital		
Capital surplus, additional paid-in capital arising from ordinary share	15,234,589	16,278,647
Total capital surplus, additional paid-in capital	15,234,589	16,278,647
Capital surplus, treasury share transactions	31,765	31,765
Capital Surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed, associates and joint ventures accounted for using equity method	1,889,777	123,752
Capital surplus, employee share options	367,641	355,338
Capital surplus, others	1,090,919	206,007
Total capital surplus	18,614,691	16,995,509
Retained earnings		
Legal reserve	259,628	220,409
Special reserve	513,302	160,330
Unappropriated retained earnings (accumulated deficit)		
Accumulated profit and loss	519,512	392,191
Total unappropriated retained earnings (accumulated deficit)	519,512	392,191
Total retained earnings	1,292,442	772,930
Other equity interest		

Exchange differences on translation of foreign financial statements		
Total exchange differences on translation of foreign financial statements	-1,460,070	-1,669,610
Unrealized gains (losses) on available-for-sale financial assets		
Unrealized gains (losses) on available-for-sale financial assets, parent	-1,087,491	-993,913
Total unrealized gains (losses) on available-for-sale financial assets	-1,087,491	-993,913
Other equity, others		
Other equity, others	-3,267	-6,989
Total other equity, others	-3,267	-6,989
Total other equity interest	-2,550,828	-2,670,512
Treasury shares	169,861	0
Total equity attributable to owners of parent	22,986,756	20,898,239
Non-controlling interests	5,582,820	684,899
Total equity	28,569,576	21,583,138
Total liabilities and equity	46,186,336	40,887,116
Number of share capital awaiting retirement	0	0
Equivalent issue shares of advance receipts for ordinary share	0	0
Number of shares in entity held by entity and by its subsidiaries	5,555,000	0

Financial Statement – Consolidated Income Statement

Provided by: Sino-American Silicon Products Inc.

Financial year: Yearly December 31, 2015 and 2014

Unit: NT\$ thousand

Accounting Title	2015/4th	2014/4th
Statement of comprehensive income		
Operating revenue		
Net sales revenue		
Sales revenue		
Sales revenue	28,269,357	27,821,456
Total sales revenue	28,269,357	27,821,456
Net sales revenue	28,269,357	27,821,456
Total operating revenue	28,269,357	27,821,456
Operating costs		
Cost of sales		
Cost of sales	23,998,126	24,323,580
Total cost of sales	23,998,126	24,323,580
Total operating costs	23,998,126	24,323,580
Gross profit (loss) from operations	4,271,231	3,497,876
Gross profit (loss) from operations	4,271,231	3,497,876
Operating expenses		
Selling expenses		
Total selling expenses	517,037	467,468
Administrative expenses		
Total administrative expenses	727,134	760,486
Research and development expenses		
Total research and development expenses	790,448	823,128
Total operating expenses	2,034,619	2,051,082
Net operating income (loss)	2,236,612	1,446,794
Non-operating income and expenses		
Other income		
Interest income		
Interest income from bank deposits	44,949	49,066
Total interest income	44,949	49,066
Dividend income	15,740	11,711
Total other income	60,689	60,777
Other gains and losses		
Gains on disposals of investments	0	0
Foreign exchange gains	79,225	460,086
Gains on financial assets (liabilities) at fair value through profit or loss	0	0
Miscellaneous disbursements	-112,852	-100,557
Losses on disposals of investments	0	0
Losses on financial assets (liabilities) at fair value through profit or loss	275	8,748
Impairment loss		
Other impairment loss	57,826	0

Total impairment loss	57,826	0
Other gains and losses, net	133,976	551,895
Finance costs		
Interest expense	76,882	134,369
Finance costs, net	76,882	134,369
Share of profit (loss) of associates and joint ventures accounted for using equity method		
Share of profit of associates and joint ventures accounted for using equity method	0	0
Share of loss of associates and joint ventures accounted for using equity method	394,214	55
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	-394,214	-55
Total non-operating income and expenses	-276,431	478,248
Profit (loss) from continuing operations before tax	1,960,181	1,925,042
Tax expense (income)		
Current tax expense (income)	903,779	625,775
Total tax expense (income)	903,779	625,775
Profit (loss) from continuing operations	1,056,402	1,299,267
Profit (loss) from discontinued operations		
Profit (loss) from discontinued operations, net of tax	0	0
Total profit (loss) from discontinued operations	0	0
Profit (loss)	1,056,402	1,299,267
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss		
Gains (losses) on remeasurements of defined benefit plans	-32,764	-91,868
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-10,574	-38,584
Components of other comprehensive income that will not be reclassified to profit or loss	-22,190	-53,284
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation	394,365	-244,645
Unrealised gains (losses) on valuation of available-for-sale financial assets	-194,379	-196,282
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-6,235	27,534
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	8,621	-51,633
Components of other comprehensive income that will be reclassified to profit or loss	185,130	-361,760
Other comprehensive income, net	162,940	-415,044
Total comprehensive income	1,219,342	884,223
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	534,837	1,128,445
Profit (loss), attributable to non-controlling interests	521,565	170,822
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	635,474	714,269
Comprehensive income, attributable to non-controlling interests	583,868	169,954
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	0.93	2.06

Basic earnings (loss) per share from discontinued operations	0	0
Total basic earnings per share	0.93	2.06
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	0.92	2.06
Diluted earnings (loss) per share from discontinued operations	0	0
Total diluted earnings per share	0.92	2.06

Financial Statement — Consolidated Statements of Cash Flows

Provided by: Sino-American Silicon Products Inc.

Financial year: Yearly December 31, 2015 and 2014

Unit: NT\$ thousand

Accounting Title	2015/4th	2014/4th
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	1,960,181	1,925,042
Profit (loss) from discontinued operations before tax	0	0
Profit (loss) before tax	1,960,181	1,925,042
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	2,160,160	2,180,043
Amortization expense	31,775	23,487
Provision (reversal of provision) for bad debt expense	9,133	-888
Interest expense	76,882	134,369
Interest income	-44,949	-49,066
Dividend income	-15,740	-11,711
Share-based payments	15,620	28,815
Share of loss (profit) of associates and joint ventures accounted for using equity method	394,214	55
Loss (gain) on disposal of property, plan and equipment	9,560	-9,292
Impairment loss on non-financial assets	192,377	444,256
Other adjustments to reconcile profit (loss)	52,597	81,523
Total adjustments to reconcile profit (loss)	2,881,629	2,821,591
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in accounts receivable	-1,194,215	-1,037,432
Decrease (increase) in inventories	-2,287,727	-24,885
Decrease (increase) in prepayments	895,628	898,099
Decrease (increase) in other operating assets	-221,598	-34,453
Total changes in operating assets	-2,807,912	-198,671
Changes in operating liabilities		
Increase (decrease) in accounts payable	219,281	31,234
Increase (decrease) in provisions	-346,931	-474,350
Increase (decrease) in receipts in advance	-730,464	-673,888
Increase (decrease) in net defined benefit liability	90,856	-15,205
Increase (decrease) in other operating liabilities	25,877	-284,550
Total changes in operating liabilities	-741,381	-1,416,759
Total changes in operating assets and liabilities	-3,549,293	-1,615,430
Total adjustments	-667,664	1,206,161
Cash inflow (outflow) generated from operations	1,292,517	3,131,203
Interest received	45,666	49,066
Dividends received	15,740	11,711
Interest paid	-78,591	-137,471

Income taxes refund (paid)	-114,980	-97,240
Net cash flows from (used in) operating activities	1,160,352	2,957,269
Cash flows from (used in) investing activities		
Acquisition of available-for-sale financial assets	-709,612	-54,674
Proceeds from disposal of available-for-sale financial assets	0	0
Acquisition of financial assets at cost	-2,305	-169,902
Proceeds from capital reduction of financial assets at cost	5,464	70,741
Acquisition of investments accounted for using equity method	0	-333,145
Proceeds from disposal of subsidiaries	0	0
Acquisition of property, plant and equipment	-4,188,006	-1,344,168
Proceeds from disposal of property, plant and equipment	102,238	82,249
Decrease in refundable deposits	-2,686	99,514
Net cash receipts from acquisitions of subsidiaries and other business units	0	513,442
Increase in other financial assets	345,060	-311,954
Dividends received	10,182	0
Net cash flows from (used in) investing activities	-4,439,665	-1,447,897
Cash flows from (used in) financing activities		
Increase in short-term loans	-209,287	410,275
Proceeds from long-term debt	1,599,000	800,000
Repayments of long-term debt	-3,467,746	-864,116
Cash dividends paid	-1,044,058	-523,142
Exercise of employee share options	0	1,346
Payments to acquire treasury shares	-169,861	0
Treasury shares sold to employees	0	0
Change in non-controlling interests	6,952,761	535,032
Net cash flows from (used in) financing activities	3,660,809	359,395
Effect of exchange rate changes on cash and cash equivalents	129,889	-160,339
Net increase (decrease) in cash and cash equivalents	511,385	1,708,428
Cash and cash equivalents at beginning of period	5,390,582	3,682,154
Cash and cash equivalents at end of period	5,901,967	5,390,582
Cash and cash equivalents reported in the statement of financial position	5,901,967	5,390,582

Sino-American Silicon Products Inc. and Subsidiaries
Consolidated Statement of Changes in Stockholders' Equity
Years ended December 31, 2015
Unit: NT\$ thousand

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Others	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	5,800,312	5,800,312	16,995,509	220,409	160,330	392,191	772,930	-1,669,610	-993,913	-6,989	-2,670,512	0	20,898,239	684,899	21,583,138
Legal reserve appropriated				39,219		-39,219	0						0		0
Special reserve appropriated					352,972	-352,972	0						0		0
Changes in equity of associates and joint ventures accounted for using equity method			11,403							3,722	3,722		15,125	826	15,951
Cash dividends from capital surplus			-1,044,058										-1,044,058		-1,044,058
Profit (loss)				0	0	534,837	534,837						534,837	521,565	1,056,402
Other comprehensive income						-15,325	-15,325	209,540	-93,578		115,962		100,637	62,303	162,940
Total comprehensive income				0	0	519,512	519,512	209,540	-93,578		115,962		635,474	583,868	1,219,342
Shares issued for pursuant to acquisitions															0
Purchase of treasury share												-169,861	-169,861		-169,861
Changes in ownership interests in subsidiaries			1,766,025										1,766,025	2,457,803	4,223,828
Changes in non-controlling interests			873,509										873,509	2,426,889	3,300,398
Share-based payments			12,303										12,303		12,303
Others														-571,465	-571,465
Total increase (decrease) in equity			1,619,182	39,219	352,972	127,321	519,512	209,540	-93,578	3,722	119,684	-169,861	2,088,517	4,897,921	6,986,438
Equity at end of period	5,800,312	5,800,312	18,614,691	259,628	513,302	519,512	1,292,442	-1,460,070	-1,087,491	-3,267	-2,550,828	-169,861	22,986,756	5,582,820	28,569,576

Sino-American Silicon Products Inc. and Subsidiaries
Consolidated Statement of Changes in Stockholders' Equity
Years ended December 31, 2014
Unit: NT\$ thousand

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Others	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	5,231,191	5,231,191	14,977,502	213,967	102,349	64,423	380,739	-1,489,219	-802,589	0	-2,291,808	0	18,297,624	2,288,267	20,585,891
Legal reserve appropriated				6,442		-6,442	0						0		0
Special reserve appropriated					57,981	-57,981	0						0		0

Changes in equity of associates and joint ventures accounted for using equity method			83,939						-6,989	-6,989		76,950		76,950	
Cash dividends from capital surplus			-523,142									-523,142		-523,142	
Profit (loss)			0	0		1,128,445	1,128,445					1,128,445	170,822	1,299,267	
Other comprehensive income						-50,667	-50,667	-172,185	-191,324	-363,509		-414,176	-868	-415,044	
Total comprehensive income			0	0		1,077,778	1,077,778	-172,185	-191,324	-363,509		714,269	169,954	884,223	
Shares issued for pursuant to acquisitions	568,881	568,881	2,280,177			-685,587	-685,587	-8,206		-8,206		2,155,265	-2,155,265	0	
Changes in ownership interests in subsidiaries			153,231									153,231	477,394	630,625	
Changes in non-controlling interests			0			0	0					0	0	0	
Share-based payments			22,696									22,696	142	22,838	
Others	240	240	1,106									1,346	-95,593	-94,247	
Total increase (decrease) in equity	569,121	569,121	2,018,007	6,442	57,981	327,768	392,191	-180,391	-191,324	-6,989	-378,704	0	2,600,615	-1,603,368	997,247
Equity at end of period	5,800,312	5,800,312	16,995,509	220,409	160,330	392,191	772,930	-1,669,610	-993,913	-6,989	-2,670,512	0	20,898,239	684,899	21,583,138

Attachment 5

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, 2015 and 2014, 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, 2015 and 2014. 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\$1,487,561 thousand and NT\$2,004,864 thousand (5% and 6% of total assets) as of December 31, 2015 and 2014, respectively, and the share of profit or loss of subsidiaries and associates accounted for using the equity method amounting to NT\$(394,214) thousand and NT\$(55) thousand (59)% of loss before income tax and 0% of profit before income tax) for the years ended 2015 and 2014, 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, 2015 and 2014, 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 32, 2016

2015 FINANCIAL STATEMENTS

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Financial Position

December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

	December 31, 2015		December 31, 2014	
Assets				
Current assets:		%		%
Cash and cash equivalents	\$ 1,279,123	4	1,460,560	5
Notes and trade receivable, net	1,289,888	4	1,110,375	3
Accounts receivable from related parties	1,362,216	4	397,283	1
Inventories, net	1,995,196	6	1,387,777	4
Prepayments for materials	439,566	1	627,068	2
Other current assets	194,142	1	175,846	—
	<u>6,560,131</u>	20	<u>5,158,909</u>	15
Non-current assets:				
Available-for-sale financial assets – non-current	840,130	3	858,637	3
Financial assets carried at cost – non-current	811,802	2	867,323	3
Investments accounted for using equity method	15,159,801	47	16,234,271	53
Property, plant and equipment, net	7,282,061	23	5,999,176	19
Intangible assets	—	—	17,785	—
Deferred income tax assets	263,473		176,288	1
Other financial assets – non-current	41,796	—	66,073	—
Long-term prepayments for materials	<u>1,310,401</u>	4	<u>1,791,500</u>	6
	<u>25,709,464</u>	80	<u>26,010,993</u>	85
Total Assets	\$ <u>32,269,595</u>	100	<u>31,169,902</u>	100

SINO-AMERICAN SILICON PRODUCTS INC.

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

December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

	December 31,			December 31,		
	2015			2014		
Liabilities and Stockholders' Equity						
Current liabilities:		%			%	
Short-term borrowings	\$ 1,150,000	3		750,000	3	
Notes and accounts payable	1,337,461	4		974,128	3	
Payables to related parties	339,609	1		82,500	—	
Payroll and bonus payable	220,276	1		332,017	1	
Other current liabilities	1,066,070	3		339,237	1	
Revenue received in advance for sales	268,439	1		784,432	3	
Provision – current	119,519	—		—	—	
Current portion of long-term loans payable	65,587	—		666,667	2	
	<u>4,447,442</u>	13		<u>3,988,981</u>	13	
Non-current liabilities:						
Long-term loans payable	2,545,519	8		3,808,667	12	
Liability reserve	427,000	1		427,000	1	
Other liabilities – non-current	318,515	1		321,480	1	
Revenue received in advance for sales – non-current	1,544,363	5		1,725,353	6	
	<u>4,835,397</u>	15		<u>6,282,682</u>	20	
Total Liabilities	<u>9,282,839</u>	28		<u>10,271,663</u>	33	
Equity:						
Common stock	5,800,312	18		5,800,312	19	
Capital surplus	18,614,691	58		16,995,509	55	
Retained earnings:						
Legal reserve	259,628	1		220,409	1	
Special reserve	513,302	2		160,330	1	
Unappropriated earnings (accumulated deficits)	519,512	2		392,191	1	
	<u>1,292,442</u>	5		<u>772,930</u>	3	
Other equity	(2,550,828)	(8)		(2,670,512)	(10)	
Tresury Stock	<u>(169,861)</u>	(1)		—	—	
Total Equity	<u>22,986,756</u>	72		<u>20,898,239</u>	67	
Total Liabilities and Equity	<u>\$ 32,269,595</u>	100		<u>31,169,902</u>	100	

SINO-AMERICAN SILICON PRODUCTS INC.

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

Years ended December 31, 2015 and 2014

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

	<u>2015</u>		<u>2014</u>	
		%		%
Operating revenues:	\$ 11,915,968	100	9,175,737	100
Cost of goods sold	<u>11,936,762</u>	<u>100</u>	<u>9,895,108</u>	<u>108</u>
Gross loss	<u>(20,794)</u>	<u>—</u>	<u>(719,371)</u>	<u>(8)</u>
Operating expenses:				
Selling	49,275	—	35,529	—
General and administrative	147,319	1	118,231	1
Research and development	<u>211,867</u>	<u>2</u>	<u>190,443</u>	<u>2</u>
Total operating profit	<u>408,461</u>	<u>3</u>	<u>344,203</u>	<u>3</u>
Operating loss	<u>(429,255)</u>	<u>(3)</u>	<u>(1,063,574)</u>	<u>(1)</u>
Non-operating income and (expenses):				
Other income	21,852	—	16,558	—
Other gains and (losses)	58,280	—	161,402	2
Interest expense	<u>(65,172)</u>	<u>(1)</u>	<u>(97,751)</u>	<u>(1)</u>
Share of profit or loss of subsidiaries and associates accounted for using equity method	<u>1,083,387</u>	<u>9</u>	<u>2,121,126</u>	<u>23</u>
Total non-operating income and expenses	<u>1,098,347</u>	<u>8</u>	<u>2,201,335</u>	<u>24</u>
Profit from continuing operations before income tax	669,092	5	1,137,761	13
Income tax expense	<u>134,255</u>	<u>1</u>	<u>9,316</u>	<u>—</u>
Net profit (loss)	<u>534,837</u>	<u>4</u>	<u>1,128,445</u>	<u>13</u>
Other comprehensive income (loss) :				
Components of other comprehensive income that will not be reclassified to profit or loss				
Actuarial loss on defined benefit plans	<u>(1,573)</u>	<u>—</u>	<u>(1,782)</u>	<u>—</u>
Income tax related to components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	26,536	—	44,274	—
Unrealized gain (loss) on available-for-sale financial assets	<u>(18,507)</u>	<u>—</u>	<u>(196,282)</u>	<u>(2)</u>
Share of other comprehensive income of subsidiaries and associates accounted for using equity method	<u>98,692</u>	<u>1</u>	<u>(255,702)</u>	<u>(3)</u>
Income tax related to other comprehensive income	<u>(4,511)</u>	<u>—</u>	<u>(4,684)</u>	<u>—</u>
Total other comprehensive income (loss), net of income tax	<u>100,637</u>	<u>1</u>	<u>(414,176)</u>	<u>(5)</u>
Total comprehensive income (loss)	<u>\$ 635,474</u>	<u>5</u>	<u>714,269</u>	<u>8</u>
Earnings per share (in dollars)				
Basic earnings (loss) per share	<u>\$ 0.93</u>		<u>2.06</u>	
Diluted earnings (loss) per share	<u>\$ 0.92</u>			

SINO-AMERICAN SILICON PRODUCTS INC.

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

Years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

		<u>Retained Earnings</u>					<u>Other Equity</u>				<u>Treasury stock</u>	<u>Total equity</u>
		<u>Common stock</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Unappropriated earnings (accumulated deficit)</u> <u>Total</u>	<u>Exchange differences on translation</u>	<u>Unrealized gain (loss) on available-for-sale financial assets</u>	<u>other</u>	<u>Total</u>		
Balance at January 1, 2014	\$	<u>5,231,191</u>	<u>14,977,502</u>	<u>213,967</u>	<u>102,349</u>	<u>64,423</u> <u>380,739</u>	<u>(1,489,219)</u>	<u>(802,589)</u>	—	<u>(2,291,808)</u>	—	<u>18,297,624</u>
Net profit for 2014		—	—	—	—	1,128,445 1,128,445	—	—	—	—	—	1,128,445
Other comprehensive profit and loss		—	—	—	—	<u>(50,667)</u> <u>(50,667)</u>	<u>(172,185)</u>	<u>(191,324)</u>	—	<u>(363,509)</u>	—	<u>(414,176)</u>
Total comprehensive profit and loss		—	—	—	—	<u>1,077,778</u> <u>1,077,778</u>	<u>(172,185)</u>	<u>(191,324)</u>	—	<u>(363,509)</u>	—	<u>714,269</u>
Appropriation and distribution of retained earnings (Note1)												
Special reserve used to offset company losses		—	—	—	57,981	<u>(57,981)</u> —	—	—	—	—	—	—
Legal reserve		—	—	6,442	—	<u>(6,442)</u> —	—	—	—	—	—	—
Issuance of common share for acquisition		568,881	2,280,177	—	—	<u>(685,587)</u> <u>(685,587)</u>	<u>(8,206)</u>	—	—	<u>(8,206)</u>	—	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		—	<u>(523,142)</u>	—	—	—	—	—	—	—	—	<u>(523,142)</u>
Issuance of stock from exercising employee stock option		240	1,106	—	—	—	—	—	—	—	—	1,346
Difference of equity accounted investees		—	83,939	—	—	—	—	—	<u>(6,989)</u>	<u>(6,989)</u>	—	76,950
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>20,898,239</u>

See accompanying notes to consolidated financial statements.

SINO-AMERICAN SILICON PRODUCTS INC.

Statements of Changes in Stockholders' Equity (continued)
Years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

Net profit for 2015	—	—	—	—	534,837	534,837	—	—	—	—	—	534,837	
Other comprehensive income (loss)	—	—	—	—	(15,325)	(15,325)	209,540	(93,578)	—	115,962	—	100,637	
Total comprehensive income (loss)	—	—	—	—	519,512	519,512	209,540	93,578	—	115,962	—	635,474	
Appropriation and distribution of retained earnings (Note 2):													
Legal reserve	—	—	39,219	—	(39,219)	—	—	—	—	—	—	—	
Special reserve	—	—	—	352,972	(352,972)	—	—	—	—	—	—	—	
Treasure stock acquired	—	—	—	—	—	—	—	—	—	—	(169,861)	(169,861)	
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees	—	12,303	—	—	—	—	—	—	—	—	—	12,303	
Capital surplus cash dividend declared	—	(1,044,058)	—	—	—	—	—	—	—	—	—	(1,044,058)	
Subscription of subsidiary capital income	—	873,509	—	—	—	—	—	—	—	—	—	873,509	
Difference of equity accounted investees	—	11,403	—	—	—	—	—	—	3,722	3,722	—	15,125	
Proceeds from sales of subsidiaries' equity to non-controlling invest	—	1,766,025	—	—	—	—	—	—	—	—	—	1,766,025	
Balance at December 31, 2015	\$	5,800,312	18,614,691	259,628	513,302	519,512	1,292,442	(1,460,070)	(1,087,491)	(3,267)	(2,550,828)	(169,861)	22,986,756

Note 1: There was no directors' and supervisors' remuneration and employee bonuses.

Note 2: Remuneration of NT\$11,000,000 for directors and NT\$58,372,000 for employees have been deducted from comprehensive profit and loss table.

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Cash Flows

Years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Income (loss) before tax	\$ 669,092	1,137,761
Adjustments :		
Adjustments for:		
Depreciation	894,326	515,271
Amortization	17,785	1,482
Provision for (reversal of) allowance for doubtful accounts	(114)	466
Interest expenses	65,172	97,751
Interest income	(6,128)	(4,847)
Dividend income	(15,724)	(11,711)
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees	12,303	22,696
Share of profit or loss of subsidiaries and associates accounted for using equity method	(1,083,387)	(2,121,126)
Loss from disposal and write-off of property, plant and equipment	4,297	(13,532)
Loss on non-financial asset impairment	192,377	444,256
Provision for (reversal of) inventory obsolescence and devaluation loss	32,182	1,317
Expense with no effect on cash flow	4,518	7,516
Total adjustments to reconcile income (loss) before tax	<u>117,607</u>	<u>1,060,461</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets designated as at fair value through profit or loss	—	654
Notes and accounts receivable (including related parties)	(964,657)	251,403
Inventories	(592,150)	(156,553)
Prepayments for materials	534,050	720,568
Other current assets	2,868	119,323
Other financial assets	223	29,146
Total changes in operating assets	<u>(1,019,666)</u>	<u>964,541</u>
Changes in operating liabilities:		
Notes and accounts payable (including related parties)	620,442	(604,214)
Provision	—	(119,519)
Revenue received in advance for sales	(638,920)	(763,317)

Accrued pension liabilities	261	(1,791)
Accrued expenses and other current liabilities	(20,197)	31,072
Total changes in operating liabilities	(38,414)	(1,457,769)
Total changes in operating assets and liabilities	(1,058,080)	(493,228)
Total adjustments	(940,473)	(1,553,698)
Cash inflow (outflow) generated from operations	(271,381)	(415,928)
Interest received	6,063	4,847
Dividend paid	15,724	11,711
Interest paid	(66,600)	(101,446)
Net cash outflows used in operating activities	(316,194)	(500,816)

SINO-AMERICAN SILICON PRODUCTS INC.

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

Years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

	<u>2015</u>	<u>2014</u>
Cash flows from investing activities:		
Acquisition of loan to related party	\$ (179,675)	—
Acquisition of financial assets available for sale	—	(54,674)
Acquisition of financial assets carried at cost	(2,305)	(169,902)
Acquisition of equity-accounted investees	(799,373)	(423,145)
Acquisition of subsidiaries (excluding cash obtained)	—	904,023
Acquisition of property, plant and equipment	(1,887,495)	(206,752)
Disposal of property, plant and equipment	8,723	31,324
Dividends from equity-accounted investees	1,429,442	1,795,723
Increase in restricted certificate of deposit	21,733	12,182
Decrease in refundable deposits	2,544	96,306
Refund from capital reduction of subsidiaries	—	53,880
Net cash used in investing activities	<u>(1,406,406)</u>	<u>2,038,965</u>
Cash flows from financing activities:		
Increase (decrease) in other payables to related parties	—	(98,357)
Increase in short-term borrowings	400,000	(357,171)
Increase in long-term loans payable	1,599,000	800,000
Repayment of long-term loans payable	(3,467,746)	(864,116)
Payments of cash dividends	(1,044,058)	(523,142)
Stock option for employees	—	1,346
Proceeds from sales of subsidiaries' equity to non-controlling interest	4,223,828	620,625
Treasury stock acquired	(169,861)	—
Net cash flows from financing activities	<u>1,541,163</u>	<u>(420,815)</u>
Net decrease in cash and cash equivalents	(181,163)	1,117,334
Cash and cash equivalents at beginning of year	1,460,560	343,226
Cash and cash equivalents at end of year	\$ <u><u>1,279,123</u></u>	<u><u>1,460,560</u></u>
Fair value of assets and (liabilities) of associates acquired:		
Cash and cash equivalents	\$	904,023
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

Property, plant and equipment	2,375,624
Intangible asset	19,267
Other assets — non-current	27,532
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)
Exchange differences on translation of foreign financial Statements	8,206
Fair value of subsidiary's equity at acquisition date	4,404,087
Less: Fair value of associates before acquisition date	(2,240,616)
Issuance of new shares, consolidation	(2,163,471)
Cash proceeds from acquisition of associates	(904,023)
Acquisition of associates	\$ <u><u>(904,023)</u></u>

Attachment 6

Sino-American Silicon Products Inc.

Earnings Distribution Statement Year 2015

(Unit: NTD)

Items	Amount
Beginning unappropriated retained earnings	0
Less: Adjustments to actuarial gain (loss) in defined benefit plans	(15,324,216)
Adjusted beginning unappropriated retained earnings	(15,324,216)
Add: Net income of 2015	534,835,987
Less: Provision as legal reserve	(51,951,177)
Retained earnings available for distribution	467,560,594
Item of distribution:	
Less: Cash dividends (NT\$0.8/per share)	(459,580,921)
Ending unappropriated retained earnings	7,979,673

Note:

1. This result is calculated as of the share amount of 574,476,151 on the market by March 22, 2016 with treasury stock of 5,555,000 excluded. The profit distribution affected by an amendment to relevant laws or regulations, a buyback of shares, a transfer or cancellation of treasury shares to employees, share transfers for domestic convertible bonds, execution of employees' subscription, or any increase/decrease in shares that may affect the share circulation on the market, is proposed that the Board of Directors be authorized to adjust the capital reserve distribution ratio based on the number of actual shares outstanding on the record date for distribution.
2. The distribution shall be rounded to one NT\$ unit according to the holding ratio of shareholders in the register by the ex-dividend date. Distribution less than NT\$1 shall be totalized as other income.

Chairman:

President:

Chief Account:

Attachment 7

Sino-American Silicon Products Inc.

Treasury Stock Execution Status

April 30, 2016

Repurchase number of times	3
Repurchase purpose	Transferred to employees
Repurchase period	Aug. 24 to Sept. 25, 2015
Repurchase price range	NT\$ 28 to 45 Repurchase is allowed during the repurchase period with a lowest price less than NT\$28
Repurchased stock type and number	Common share: 5,555,000
Repurchased stock amount	NT\$ 169,860,791
Number of revoked and transferred stock	0 share
Number of accumulated shareholding	5,555,000 shares
Ratio of accumulated shareholding to total issuance shares	0.96%

Attachment 8

Sino-American Silicon Products Inc. Rules for Share Repurchase and Transfer to Employees

Article 1

In order to encourage and unite employees, SAS legislates Rules for Share Repurchase and Transfer to Employees in accordance with Article 28-2, paragraph 1, subparagraph 1 of Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies issued by the Financial Supervisory Commission, Executive Yuan. Any repurchase of shares and transfer to employees by SAS, in addition to complying with related laws and regulations, will be carried out in accordance with these Rules.

Article 2

The shares in the present transfer of shares to employees will be common shares, whose rights and obligations associated, unless otherwise specified by applicable laws, regulations or these Rules, are the same as other outstanding common shares of SAS.

Article 3

In accordance with these Rules, the repurchased shares may be designated record date within three years from the share repurchase day, and given to employees in single or multiple transfers. The shares not transferred within the said time limit shall be deemed as not issued by the company, and amendment registration shall be processed.

Article 4

All regular employees of SAS and its subsidiaries who have specific contribution to the Company and are still on the job on the record date are qualified to subscribe according to Article 5. Any employee resigning in the period from record date to payment deadline would be waived the subscription right. In the preceding description, the employees of its “subsidiaries” means those of which voting right are owned over 50% by SAS directly or indirectly, including overseas subsidiaries.

Article 5

The number of shares to which employees may subscribe will be determined based on rank, seniority, and performance evaluation, and considering SAS’ repurchased total shares on the record date and subscription ceiling of single employee. Subscription list will be drawn up according the aforementioned and may submit to chairman for approval.

Article 6

Procedures for the present repurchase of shares and transfer to employees:

1. The repurchase of SAS shares will be resolved, announced, reported and carried out during the implementation period in accordance with BOD resolutions.
2. BOD authorizes chairman to decide and announce subscription record date, number, payment date, rights associated in accordance with the Procedure.
3. Statistics will be compiled on the numbers of shares actually subscribed and paid for, and the registration of share transfers will be carried out

Article 7

The transfer price of the repurchased shares will be the average of actual repurchased price (rounding to one decimal place.) Provided that, prior to the transfer, there is an increase in the number of SAS issued common stock, the transfer price may be adjusted within a range proportional to the increase.

Article 8

After the repurchased shares are transferred to employees and registered, the rights and obligations associated with the transferred shares are the same with original common shares, except provided below.

1. Should not be included in dividend appropriation resolved by BOD Meeting in the previous year before transfer registration.
2. Should not be included in capital increase in cash or in surplus resolved by BOD Meeting in the previous year before transfer registration.

Article 9

These Rules and Procedures shall be effective from the date it is approved by BOD Meeting; the same applies in case of revision. Likewise, should be reported in Shareholders' Meeting; the same applies in case of revision.

Article 10

The Rules and Procedures are enacted on November 9, 2015.

Attachment 9

Sino-American Silicon Products Inc.

Procedures for Ethical Management and Guidelines for Conduct

Article 1 (Purpose of adoption and scope of application)

The Corporation engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where the Corporation and its business groups and organizations operate, with a view to providing all personnel of the Corporation with clear directions for the performance of their duties.

Article 2 (Applicable subjects)

For the purposes of these Procedures and Guidelines, the term "personnel of the Corporation" refers to any director, supervisor, managerial officer, employee, attorney, mandatary or person having substantial control, of the Corporation or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of the Corporation through a third party will be presumed to be an act by the personnel of the Corporation.

Article 3 (Unethical conduct)

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Corporation, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 (Types of benefits)

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment,

entertainment, dining, or any other item of value in whatever form or name.

Article 5 (Responsible unit)

The Corporation shall designate the president's office as the solely responsible unit (hereinafter, "responsible unit") in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation.

Article 6 (Prohibition against providing or accepting improper benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Corporation shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

- 1.The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
- 2.The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
- 3.Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
- 4.Attendance at folk festivals that are open to and invite the attendance of the general public.
- 5.Rewards, emergency assistance, condolence payments, or honorariums from the management.
- 6.Property due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.
- 7.Other conduct that complies with the rules of the Corporation.

Article 7 (Procedures for handling the acceptance of improper benefits)

Except under any of the circumstances set forth in the preceding article, when any personnel of the Corporation are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

- 1.If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Corporation's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be

notified if necessary.

2.If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Corporation's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

- 1.When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
- 2.When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
- 3.Other circumstances in which a decision regarding the Corporation's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Corporation shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved.

Article 8 (Prohibition of and handling procedure for facilitating payments)

The Corporation shall neither provide nor promise any facilitating payment.

If any personnel of the Corporation provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9 (Procedures for handling political contributions)

Political contributions by the Corporation shall be made in accordance with the following provisions, reported to the chairman in charge for approval, and a notification given to the responsible unit, and when the amount of a contribution is NT\$1,000,000 or more, it shall be made only after being reported to and approved by the board of directors:

- 1.It shall be ascertained that the political contribution is in compliance with the laws and regulations

governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.

2.A written record of the decision-making process shall be kept.

3.Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.

4.In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Corporation with the related government agencies shall be avoided.

Article 10 (Procedures for handling charitable donations or sponsorships)

Charitable donations or sponsorships by the Corporation shall be provided in accordance with the following provisions and reported to the chairman in charge for approval, and a notification shall be given to the responsible unit. When the amount is NT\$5,000,000 or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:

1.It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Corporation is doing business.

2.A written record of the decision making process shall be kept.

3.A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.

4.The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Corporation's commercial dealings or a party with which any personnel of the Corporation has a relationship of interest.

5.After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11 (Recusal)

When a Company director , officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting , that director, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

If in the course of conducting company business, any personnel of the Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of

interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Corporation may use company resources on commercial activities other than those of the Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Corporation.

Article 12 (Special unit in charge of confidentiality regime and its responsibilities)

All personnel of the Corporation shall faithfully follow the operational directions pertaining to intellectual properties and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Corporation unrelated to their individual duties.

Article 13 (Prohibition against disclosure of confidential information)

The Corporation shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not inquire or collect any trade secrets irrelevant to its job position.

Article 14 (Prohibition against insider trading)

The Corporation shall follow the applicable laws and regulations of the Securities and Exchange Act to prevent from any insider trading by any private secrets or leak of information to others.

Article 15 (Non-disclosure agreement)

Any organization or person outside of the Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Corporation acquired as a result, and that they may not use such information without the prior consent of the Corporation.

Article 16 (Announcement of policy of ethical management to outside parties)

The Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions

and personnel fully aware of its principles and rules with respect to ethical management.

Article 17 (Statement of ethical management policy to counterparties in commercial dealings)

Any personnel of the Corporation, when engaging in commercial activities, shall make a statement to the trading counterparty about the Corporation's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 18 (Avoidance of commercial dealings with unethical operators)

All personnel of the Corporation shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Corporation's ethical management policy.

Article 19 (Handling of unethical conduct by personnel of the Corporation)

The Corporation shall investigate relevant facts on any discovery or report of unethical conduct from its employees. Once it is verified that it's against the relevant laws or regulations of the Corporation's ethical management, immediate prohibition and necessary handling shall be taken regarding to the personnel. Besides, damages shall be compensated via legal procedures if required to maintain the reputation and rights of the Corporation.

For the unethical conduct that has occurred, the Corporation shall designate relevant unit to review the internal control system and procedures. Improvement suggestion shall be addressed so as to prevent from recurrence.

Article 20 (Actions upon event of unethical conduct by others towards the Corporation)

If any personnel of the Corporation discovers that another party has engaged in unethical conduct towards the Corporation, and such unethical conduct involves alleged illegality, the Corporation shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Corporation shall additionally notify the governmental anti-corruption agency.

Article 21 (Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

The Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Corporation seriously violates ethical conduct, the Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Corporation.

The Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 22 (Enforcement)

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each audit committee and reported to the shareholders meeting.

Article 23

The Procedures and Guidelines were approved on March 22th, 2016.

Appendix 1

Sino-American Silicon Products Inc.

Rules and Procedures of Shareholders' Meeting

Article 1

Unless otherwise provided for in applicable laws and regulation, Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures.

Article 2

The votes at a shareholders' meeting may be exercised in either written or electronic format in accordance with the Company Law and related regulations. Shareholders (hereinafter referred to as the representative or proxy appointed by shareholders) who attend the Meeting shall hand in an attendance card at the meeting in lieu of signing in and shall be regarded as the ones (shareholders or deputy persons) who attend the Meeting in person. The Company will not take the responsibility of identification.

Article 3

The attendance and voting shall be calculated in accordance with the shares.

Article 4

The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

Article 5

The Meeting shall be convened by the Board of Directors ("BOD") and the Chairman of BOD shall be the chairman presiding at the Meeting. If the Chairman of BOD cannot preside at the Meeting for any reason, the Vice Chairman of BOD shall preside at the Meeting. If the Company does not have Vice Chairman of the BOD or the Vice Chairman of the BOD cannot fulfill his/her duty for any reason, the Chairman of the BOD shall appoint a deputy person. If the Chairman of BOD does not appoint a deputy person, the Directors shall elect one Director as the deputy person. If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting.

Article 6

The Company may appoint designated counsel, CPA or other related persons to attend the Meeting. Persons handling affairs of the Meeting shall wear identification cards or badges.

Article 7

The process of the Meeting shall be tape recorded or videotaped and these tapes shall be preserved for at least one year.

Article 8

Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Paragraph 1 of Article 175 of the Company Law. If the quorum is constituted during the process of the Meeting, the chairman may submit the aforesaid tentative resolution to the Meeting for approval in accordance with Article 174 of the Company law.

Article 9

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The provision above applies *mutatis mutandis* to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting. Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

Article 10

When a shareholder (or deputy person) presents at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. If any shareholder (or deputy person) present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail. Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

Article 11

Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any

shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

Article 12

Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

Article 13

After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

Article 14

The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.

Article 15

Except otherwise specified in the Company Law, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. If no objection is voiced after solicitation by the chairman, the resolution shall be deemed adopted and shall have the same effect as if it was voted. The person(s) to check and the person(s) to record the ballots during a vote shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder. The result of voting shall be announced at the Meeting and placed on record.

Article 16

During the Meeting, the chairman may, at his discretion, set time for intermission.

Article 17

Except otherwise specified in the Article of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting.

Article 18

If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

Article 19

The chairman may conduct the disciplinary officers (or the security guard) to assist in keeping order of the Meeting place. Such disciplinary officers (or security guards) shall wear badges marked "Disciplinary Officers" for identification purpose.

Article 20

These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

Article 21

The Rules and Procedures were enacted on May 29, 1990.

The 1st amendment was made on June 12, 1998.

The 2nd amendment was made on June 16, 1999.

The 3rd amendment was made on June 21, 2002.

The 4th amendment was made on June 8, 2006.

Appendix 2

Sino-American Silicon Products Inc.

Articles of Incorporation

Chapter I. General Provisions

Article 1

This Company is duly incorporated under the provisions set forth in the Company Law, and its full name in Chinese language is 中美矽晶製品股份有限公司, and Sino-American Silicon Products Inc. in English language.

Article 2

The Company shall engage in the following business:

CC01080 Electronic Parts and Components Manufacturing

IG03010 Energy-related Technology and Service

F401010 International Trade

i. Research and development, design, manufacture and sell the following products:

- Silicon-based semiconductor materials and their components
- Varistor
- Photovoltaic and communication materials

ii. The technology, management and advisory business related to the products listed above.

iii. Photovoltaic system integration and installation services.

iv. Import-export activities related to the above mentioned business.

Article 3

The Company may provide endorsement and guarantee and make reinvestment.

When the Company reinvests in another Company, the total amount of the Company's reinvestment can be more than forty percent of the Company's paid-up capital.

Article 4

The Company is headquartered in Hsinchu SBIP and may have branches or offices set elsewhere domestically and abroad as resolved by the Board of Directors and competent authorities of the government.

Article 5

Public announcements of the Company shall be duly made in accordance with the Company Law.

Article 5-1

The Procedures are the guidelines for the Company to provide endorsement and/or guarantee to outside parties who has business relationship with the Company.

Chapter II. Capital Stock

Article 6

The total capital stock of the Company shall be in the amount of NTD10,000,000,000, divided into 1,000,000,000 shares, at NTD10 par value, and may be issued separately. The Board of Directors is entitled to make resolutions to decide whether or not the unissued shares to be issued.

Among the total capital stock indicated in the first paragraph, the amount of shares 20,000,000 should be reserved for issuing options for stock, preferred stock, or corporate bond.

The quota of aforesaid options for stock, preferred stock, or corporate bond shall be adjusted by the Board of Directors' resolutions contingent on the capital market's condition and managerial demand.

Article 7

The share certificates of the Company shall all be name-bearing share certificates and signed or sealed by no less than three directors.

The share certificates shall be issued after being certified by authority concerned or its approved certificate organizations.

The Company may not print share certificates. Registers of share certificates shall contact the share certificates' depositary and clearing organizations.

Article 8

All transfer of stocks, pledge of rights, loss or damage, or similar stock transaction conducted by shareholders of the Company shall follow the Company Law or relevant regulations.

Article 9

Shareholders shall submit their seal drawings to the Company for reference, and the same instruction shall be applied when the shareholders change their seal drawings. It shall be based on the current seal drawings kept by the Company when shareholders receive dividends or executing other rights.

Article 10

All the Company's stockholder-related affairs shall be dealt in accordance with the Company Law or relevant regulations.

Article 11

Share transfer registration shall be suspended 60 days preceding each regular shareholders' meeting, or 30 days preceding an extraordinary shareholders' meeting, or 5 days preceding the base day for distribution to shareholders of dividends, bonuses, or other privileges as determined by this Company.

Chapter III. Shareholders' Meeting

Article 12

The shareholders' meeting shall be convened in two forms: a regular meeting or extraordinary meeting. The regular meeting shall be held once annually and convened by the Board of Directors within six months from the closing of each fiscal year in accordance with the Company Law or relevant regulations. An extraordinary meeting, if necessary, shall be convened in accordance with the Company Law or relevant regulations.

Unless otherwise provided in the Company Law, the shareholders' meeting shall be convened by the Board of Directors.

The notices for shareholders' meeting shall be served to all shareholders in written or electrical forms 30 days in advance in case of a regular meeting of shareholders or 15 days in advance in case of an extraordinary meeting of shareholders. The written or electrical notice shall bear date, location and subjects of the meeting.

The shareholders may execute their voting right through written or electrical form, which shall be in accordance with the relevant regulations.

Article 13

A shareholder who is unavailable to attend a shareholders' meeting may duly issue a power of attorney expressly bearing the scope of the authorized power to appoint a proxy to attend the meeting on behalf. The powers of attorney shall be duly handled in accordance with "Regulations Governing Powers of Attorney Used for Attending the Shareholders' Meeting of Public Offering Companies" in addition to the requirements set forth in Article 177 of the Company Law.

Article 14

Unless otherwise provided for in the Company Law, resolutions in the shareholders' meeting shall be adopted by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares.

Article 15

Unless otherwise provided in par. 3 of Article 157 of the Company Law, shareholders shall have one vote for each share they hold, but the Company has no voting power for shares held by itself in accordance with Art. 179 of the Company Law.

Article 16

When the shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. In case of the Chairman's absence or unavailability, his proxy shall be the Vice Chairman.

If the Vice Chairman's position is in vacancy, or the Vice Chairman is also absent, the Chairman shall, in advance, appoint a director to act in his place, but if the Chairman does not appoint his representative, one director shall be elected from among them to act in Chairman's place. In the event that the shareholders' meeting is convened by others instead of the Board of Directors, the shareholders' meeting shall be chaired by that convener. In case of two or more conveners, one of them shall be elected to chair the meeting.

Article 17

Minutes of shareholders' meeting shall be proceeded subject to Article 183 of the Company Act.

Chapter IV. Directors and the Audit Committee

Article 18

1. The Company shall have thirteen to fifteen directors to be elected at the shareholders' meeting by adopting the candidate nomination system specified in Article 192-1 of the ROC Company Law. All directors shall serve for a term of three years and shall be eligible for re-election. The total shares held by all directors and supervisors shall be in compliance with the relevant regulations provided by the securities authority.
2. The aforesaid directors must have at least three independent directors. The professional qualification, shareholding, part-time job limitation, nomination and election method and other requirements for independent directors shall be handled in compliance with the relevant regulations provided by the securities authority.

Article 18-1

The Company shall establish an audit committee according to Article 14-4 of Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors.

Article 19

More than two-thirds majority of Directors shall attend the meeting for the Board of Directors, and Chairman and Vice Chairman shall be elected among directors by a majority vote of the attending directors. Chairman shall represent the Company.

Article 20

In the case that vacancies on the Board of Directors reach or exceed one third of the total number of the directors, the Board of Directors shall convene an extra shareholders' meeting to fill such vacancies within 60 days. The new directors or supervisors shall serve only the remaining term of the predecessors.

Article 21

Each director shall be informed via written notice or email or fax of the convention at seven days before the Board of Director's meeting. A meeting of the Board of Directors may be held anytime if necessary, and the methods of informing each director shall be via written notice or email or fax.

Unless otherwise provided for in the Company Law, resolutions in the Board of Directors meeting shall be adopted by a majority vote in the meeting attended by a majority of Directors.

Any director who is unable to attend a Board of Directors' meeting shall appoint another director as his/her proxy by a power of attorney listing the scope of empowerment. A director may serve as proxy for only one absent director.

The audit committee's members, duties, regulations and other mandatory items should be proceeded according to SEC regulations.

Article 22

If the Chairman takes leave or is unavailable to perform his duties, the proxy method shall be in accordance with the Company Law.

Article 23

Remunerations of all directors shall be determined by the Board of Directors based on the level of their participation in business operation and the value of their contribution, and taking into account the common remuneration level in the same industry.

If the directors hold other positions at the Company, their remunerations for those positions shall be paid monthly in accordance with the common remuneration level of general managers.

Article 24

The Company may buy the liability insurance for all directors to the extent of the compensation responsibility assumed in business execution.

Chapter V. Management of the Corporation

Article 25

The Company shall have several managers whose appointment, discharge and remuneration shall be in accordance with the Company Law.

Article 26

The Company shall employ accountants and lawyers through the Board of Directors as consultants if need be. The remuneration for those consultants will be determined by the Board of Directors.

Chapter VI. Accountings

Article 27

The Company's fiscal year starts from January 1 and ends on December 31 of every calendar year.

Article 28

Upon the closing of each fiscal year, the Board of Directors shall work out the following documents and present it at a regular meeting of shareholders for acknowledgement.

- i. Business report
- ii. Financial statements
- iii. Proposal of earning distribution or loss coverage.

Article 29

If the Company has surplus after the yearly accounting closed, 3~15% of the profit shall be appropriated for the employees' remuneration distributed with stocks or cash decided by the board of directors. Employees entitled to bonus may include subsidiaries' employees that meet certain criteria. The Company may appropriate 3% at the most of the above profit quota decided by the board of directors for directors' remuneration. Distribution for employees and directors shall be reported to the shareholders' meeting. An offset, however, to the accumulated loss shall be reserved before making distribution to employees and directors.

Article 29-1

If the Company has surplus after the yearly accounting closed, following taxes and offsets to the accumulated loss, another 10% shall be appropriated as legal reserve by laws. While no appropriation shall be made, if the legal reserve has reached the amount of the paid-in capital of the Company. The remaining amount shall be appropriated or transferred to special reserve according to laws and the rest along with the accumulated surplus may be proposed by the board of directors for bonus distribution to shareholders and submit to the shareholders' meeting.

In order to maintain continuous operating of the Company and steady growth of its surplus per share, dividend for shareholders shall more than 50% of the profit after tax deducting from the appropriation of special surplus of the year by the regulations and the distribution rate of the dividend for shareholders shall be no less than 50% of the cash dividend.

Chapter VII. Supplementary Provisions

Article 30

Relevant matters not provided for in these Articles shall be handled in accordance with the provisions of the Company Law.

Article 31

This articles of Incorporation is established on Dec 25th, 1980

The 1st amendment on May 21st, 1984

The 2nd amendment on July 20th, 1984

The 3rd amendment on June 26th, 1987

The 4th amendment on Nov 16th, 1987

The 5th amendment on Aug 4th, 1989

The 6th amendment on May 29th, 1990

The 7th amendment on June 14th, 1991

The 8th amendment on June 23rd, 1993

The 9th amendment on May 30th, 1995

The 10th amendment on Nov 3rd, 1997

The 11th amendment on June 12th, 1998

The 12th amendment on June 16th, 1999

The 13th amendment on Sep 7th, 1999

The 14th amendment on May 23rd, 2000

The 15th amendment on May 21st, 2001

The 16th amendment on June 21st, 2002

The 17th amendment on June 13th, 2003

The 18th amendment on June 24th, 2004

The 19th amendment on June 3rd, 2005

The 20th amendment on June 8th, 2006

The 21st amendment on June 21st, 2007

The 22nd amendment on June 19th, 2008

The 23rd amendment on June 3rd, 2009

The 24th amendment on June 15th, 2010

The 25th amendment on June 17th, 2011

The 26th amendment on June 27th, 2012

The 27th amendment on June 25th, 2013

The 28th amendment on June 26th, 2014

The 29th amendment on June 28th, 2016

Implement after approvals from the meeting of stockholders

Appendix 3

Sino-American Silicon Products Inc.

Shareholdings of Directors

- 1 The current paid-in capital for shares in the Company is 580,031,151 shares. The Company's Directors hold at least 4 % shares complied with the Article 2 of "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".
- 2 The Company having established the audit committee has no legal shareholdings for supervisors.
- 3 The Company discloses the shares held by Directors in the shareholder's register as of April 30, 2016 as the table shown below.

Position	Name	Shareholdings	Note
Chairman	Ming-Kung Lu	10,950,000	
Vice Chairman	Tang-Liang Yao	1,738,395	
Director	Hsiu-Lan Hsu	1,706,085	
Director	Kang-Hsin Liu.	0	
Director	Chin-Lung Chang	0	
Director	Wen-Huei Tsai	2,976,191	
Director	K.C. Hsu	524,759	
Director	Mao-Yang Co.,Ltd	3,333,639	Representative: Tieh-Chih Sun
Director	Kai-Chiang Company	920,000	Representative: Chih-Yao Sun
Director	Kun Chang Investment Co.	2,202,100	Representative: May-Yuan Chang
Director	Pan Asia Solar, Ltd. Representative	7,893,888	Representative: Szpitalak Ted
Independent Director	Ting-Ko Chen	0	
Independent Director	Hsing-Hsien Lin	0	
Independent Director	Angela Huang	0	
Total (Directors and Supervisors)		32,245,057	Met required shareholding

Appendix 4

Other Statement Items

Explanatory notes for the proposal at the annual general shareholders' meeting:

1. Pursuant to the Article 172-1 of Company Act, Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal within 300 words.
2. Submission period applicable to common shareholders of SAS starts from April 22 to May 3, 2016. The Company has made a public announcement on MOPS.
3. The Company has not received any proposal from shareholders yet.