

Stock Code : 5483



Sino-American Silicon Products Inc.

2017
Annual General Shareholders' Meeting
Meeting Handbook

Time: June 27, 2017

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.
2017 Annual General Shareholders' Meeting Procedure

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

Sino-American Silicon Products Inc.

2017 Annual General Shareholders' Meeting Agenda

Time: 9:00 AM, Thursday, June 27, 2017

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. Report Items
 - (1) 2016 business report
 - (2) Audit committee's report on 2016 budgets
4. Approval Items
 - (1) 2016 business report and financial statements
 - (2) 2016 appropriation of loss
5. Discussions
 - (1) Cash dividend distribution from capital reserve
 - (2) Issuance of Restricted Stock Awards
 - (3) Issuance of new shares through GDR or Private Placement
 - (4) Amendment to the "Articles of Incorporation"
 - (5) Amendment to the "Acquisition or Disposal of Assets Procedure"
 - (6) Amendment to the "Lending Funds to Other Parties"
 - (7) Amendment to the "Procedures for Endorsement and Guarantee"
 - (8) Amendment to the "Policies and Procedures for Financial Derivatives Transactions"
6. Election Item

The election of 13th board of directors
7. Other Item

Discussion on the removal of restriction on non-compete clause of new directors
8. Extempore Motion
9. Meeting Adjourned

Report Items

Item 1

Fiscal 2016 Business Report submitted for review

Please refer to the Fiscal 2016 Business Report on page 14 of this handbook.

Item 2

Audit Committee's 2016 Review Report submitted for review

Please refer to the Audit Committee's 2016 Review Report on page 19 of this handbook.

Approval Items

Item 1

(Proposed by the Board of Directors)

Motion: To accept FY 2016 business report and financial statements

- (1) SAS' 2016 Standalone and Consolidated Financial Statements were audited by KPMG CPAs, Tseng, Mei-Yu, and Huang, Yong-Hwa. The aforementioned and FY 2016 business report have been approved by the audit committee.
- (2) Please refer to the Business Report and the Financial Statements on page 14 and 19 of this handbook.
- (3) Approval requested

Resolution:

Item 2

(Proposed by the Board of Directors)

Motion: To approve the 2016 profit distribution proposal

- (1) As of the beginning of 2015, the Company's retained earnings is NT\$7,979,673. Adding the adjustments of the remeasurements of defined benefit plans of NT\$15,491,302 and adjusted beginning unappropriated retained earnings amounting to NT\$23,470,975, setting off the net income of FY2016 of NT\$1,589,224,719, the accumulated loss of the year is NT\$1,565,753,744.
- (2) In accordance with the aforesaid, it is proposed that no dividend will be distributed shareholders, and no remuneration will be paid to employees and directors.
- (3) See the 2016 Appropriation of Loss Statement at page 53 of this handbook.
- (4) Resolution requested

Resolution:

Discussion Items

Item 1

(Proposed by the Board of Directors)

Motion: Discussion on the distribution of cash dividend from capital reserve

Description:

- (1) The Company plans to distribute cash dividend through capital reserve of NT\$861,714,227. The distribution ratio is determined by the holding ratio of shareholders in the register of shareholders on the record date of the distribution. Each share will be distributed NT\$1.5 cash dividend.
- (2) Upon the approval of the Annual General Meeting, the distribution record date will fall on July 30, 2017 and August 16, 2017, 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 a buyback of shares, or issuance or cancellation of transferring treasury shares to employees and execution of warrant etc., it is proposed that the chairman is authorized to distribute the total amount of the capital reserve according to this proposal.
- (4) Resolution requested.

Resolution:

Item 2

(Proposed by the Board of Directors)

Motion: Discussion on the issuance of Restricted Stock Awards

Description:

- (1) It is proposed to issue Restricted Stock Awards in accordance with Article 267 of the Company Act and the Regulations Governing the Offering and Issuance of Securities by Securities Issuers ("the offering Regulations").
- (2) Relevant details:
 1. Total amounts of issuance: The maximum number of shares issued by the Company under this plan is 6,000,000 common shares, each share having a par value of NT\$10, for a total amount of NT\$60,000,000. It is allowed to register multiple issuances over a period of 1 year from the date the authorities approves. The actual issuance date shall be determined by the chairman authorized by the board meeting.

2. Issuance conditions:
 1. Issue price: NT\$20 per share
 2. Vesting conditions: Employee's continuous employment with the Company through the vesting period and achievement of personal performance criterion of "A" (and above) are required to receive the vesting shares by the portion of:
 - 1 year: 40%
 - 2 years: 70%
 - 3 years: 100%
 3. Issue type: Common share of the Company
 4. Handling of employee's failure to meet the vesting conditions: Refer to attachment 27 (P.27) – the 5th item of Article 5 in the 2017 Regulations of Governing the Offering and Issuance of Restricted Stock Awards.
- (3) Qualification requirements for employees:
 1. Qualification: Regular employees as a manager (and above) of the Company who are already employed over 1 year before the date that the restricted employee shares are awarded and meet certain performance requirements shall be eligible to Restricted Stock Award Plan. The actual awarded amount shall be determined by employee's seniority, position, performance, overall contribution, specific contribution or other managerial factors also taken into account, and submit to the board meeting for approval after reviewed by the chairman. However, for directors who are managerial officers or employees, the award of such shares is subject to approval by the compensation committee.
 2. Shares awarded: In compliance with the Item 1 of Article 56-1, accumulated total shares of employee stock option distributed to single subscriber plus the restricted stock awards cannot exceed three-thousandths of the total outstanding shares. Issuers, in accordance with the Item 1 of Article 56, shall not issue more than one-hundredth of the total outstanding shares for the distribution of accumulated employee stock option to single subscriber.
- (4) Reason for the issuance of Restricted Stock Awards: To retain and attract talents, enhance employees' sense of belonging to the Company so as to ensure the alignment of the Company and shareholders' interests.
- (5) Calculated expense amount: The expected issuance of Restricted Stock Awards will be 1.04% of the current outstanding common shares of 574,476,151 shares (with 5,555,000 shares of treasury stocks excluded.) With a issue price of NT\$20 for each share, the maximum expense is approximately in the amount of NT\$150,000,000. The amortized expense, calculated based on the closing price of NT\$45 on March 22, 2017, is estimated to be in the amount of NT\$46,450,000, NT\$48,388,000, NT\$45,000,000 and NT\$10,162,000 for 2017, 2018, 2019 and 2020 respectively under the assumption of the total issuance. Dilution from the aforesaid expense is estimated to be NT\$0.08, NT\$0.08,

NT\$0.08 and NT\$0.02 for 2017, 2018, 2019 and 2020 respectively. There is limited dilution of the Company's future EPS, and there is no material impact on existing shareholders' equity.

- (6) For details of the 2107 Regulations Governing the Offering and Issuance of Restricted Stock Awards, refer to Attachment 27.
- (7) With respect to the issuance of Restricted Stock Awards, the relevant restrictions, important agreements and any other matters not set forth here shall be dealt with in accordance with the applicable laws and regulations and the issuance rules set by the Company.
- (8) Resolution requested

Resolution:

Item 3

(Proposed by the Board of Directors)

Motion: Discussion on issuance of new shares through GDR or local SPO or Private Placement

Description:

- (1) To meet the development of alliance with major companies and to increase working capital, or overseas purchase, prepayment of bank loan, purchase of equipment and machinery for future needs, and long-term investments and/or others to improve competitiveness, the Company proposes to authorize the Board to issue new stocks up to 85,000,000 shares under appropriate conditions and in determination of the method of stock issuance in common shares or in GDR for common shares or private placement for common shares, and adjustment of issuing size within the said quota at once or through installment (less than twice for private placement).
- (2) Principles and Conducting of Raising Funds
 - 1. The issuance of new common shares for capital increase in cash
 - Pursuant to the Article 28-1 of Securities and Exchange Act, Board of Directors delegates Chairman to choose either book building or public application regarding underwriting and proceed as below:
 - I. Book Building
 - Unless otherwise the Article 267 of the company law to retain 10%-15% new issuance shares for the company employees, and the remaining 85%-90% according to the Securities and Exchange Act Rule 28-1, shall be all provided with public application in the book building method. In case the actual purchases of the reserved stock options for the employees falls short, the chairman is authorized to negotiate with specific parties to purchase those shares at the issue price in accordance with the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms.

The issue price by the Taiwan Securities Association Rules Governing Issue Company raising and issuing securities (hereinafter "Discipline Principles") may not be lower than 90% of the average closing prices of common shares of the Company for either one, three, or five business days before either the date on which the application is filed at Taipei Exchange or the five business days before the ex-rights date. The aforementioned price should be determined in compliance with related requirements of competent authorities. The Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of market status.

II. Public Application Offering

Pursuant to the Article 267 of Company Act, 10%-15% of the new share issuance will be reserved for employees' preemptive subscription and 10% will be reserved for public offer. The remaining 75%-80% of the share issuance will be reserved for preemptive purchase of original shareholders based on the shareholder's name and his/her shares registered in the shareholders roster at the dividend record date. For the issuance not subscribed by employees and the original shareholders in proportion or as a whole, the chairman of the Board is to be authorized to negotiate with specific parties to purchase shares at issuing price. The issue price of new common shares from the cash capital increase may not be lower than 70% of the average closing prices of common shares of the Company for either the one, three, or five business days before either the date on which the application is filed with the Financial Supervisory Commission or the five business days before the ex-rights date. The average closing price mentioned above shall be after adjustment for any distribution of stock/cash dividends or capital reduction.

2. The issuance of GDR for the new common shares from cash capital increase:

I. Pursuant to the Article 267 of Company Act, 10%-15% of the share issuance will be reserved for employees' preemptive subscription. For those stocks not subscribed by employees in proportion or as a whole, the chairman of the Board is to be authorized to negotiate with specific parties to purchase the unsubscribed share in common stock or GDR of subscription at the issuing price in accordance with the market development. For the remaining 85%-90% of issuance, based on the Article 28-1 of the Securities and Exchange Act, the board proposes to offer through public application offering for the issuance of GDR according to the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms.

II. The issuing price of new common shares for capital increase in cash or the issuing price of GDR for the new common shares from cash capital increase is to be determined based on general practices worldwide and it shall not affect shareholder's interests. However, the final issuing price is to be determined by the lead underwriter and the Chairman of the Board who is authorized by the Shareholders' Meeting by referring to market conditions at the time of issuance; also, it must be in compliance

with related requirements of competent authorities.

- a. According to the “Disciplinary Rules”, the issuing price of the new common shares from cash capital increase may not be lower than 90% of the closing price of common shares at Taipei Exchange on the price determination day or 90% of average closing price of the common shares of the Company for either one, three, or five business days before the price determination date, after adjustment for any distribution of stock/cash dividends or capital reduction. The aforementioned price may adjust when variation occurred in domestic requirements. Since domestic share price may vary excessively within a short period, the Chairman of the Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of international conventions, capital market, domestic share price and overall book building.
- b. For the rights of original shareholders, the issuance of new shares for cash capital increase up to 85,000,000 common shares will have the maximum dilution effect of at 14.8%. The funds raised from the capital increase in cash shall generate sustainable growth in Company’s business; reinforce competitiveness, and surely benefit shareholders. GDR issue price is determined according to fair value domestically. Original shareholders may purchase common stock in domestic market at Taipei Exchange for the price close to GDR price, exempting from currency and fluidity risks. There is no huge impact on original shareholders.

3. Private placement for common shares for capital Increase by cash:

The issuance plan of private placement for common shares is conducted pursuant to Article 43-6 of Securities Exchange Act and Directions for Public Companies Conducting Private Placements of Securities.

I. The necessity of private placement

a. The reasons for not taking a public offering:

Consider the capital market status, effectiveness of financing, feasibility, issuance cost, and actual requirement of bringing in strategic investors. With the limit of no-trading period of 3 years, it is better to maintain a long-term relationship with strategic partners by such security issuance of private placement. Therefore, the Company proposed to raise capital through private placement, rather than public offering.

b. The amount of the private placement: less than 85,000,000 shares.

c. The capital usage plan and projected benefits of private placement:

In response to strategic alliance development or operational funds increase, overseas purchase, reimbursement of bank loan, purchase of machinery and equipment or reinvestment and any capital needs in the future, single or twice

private placement at the maximum can be executed in terms of the market condition in order to bring in long-term funds at appropriate time responding to the rapidly changing industry environment and strengthening the equity structure and competitiveness of the company.

II. The rationality to determine the price of private placement:

The common stock price per share shall be no less than 80% of the reference price.

The reference price is set as the higher of the following two basis prices:

- a. The average closing price from either 1, 3 or 5 days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction.
- b. The average price of 30 days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction.

The pricing date, actual issuance price are proposed to authorize the Board to determine after taking into consideration the market status, objective conditions.

The price determination above shall follow regulations from government authorities.

III. The method to determine specific parties:

No specific subscriber, selected in accordance with Article 43-6 of Security and Exchange Act, has been appointed for the private placement for common shares. The strategic investors have the priority to be considered as specific parties for private placement to meet the Company's needs on technology cooperation and operation strategy. If subscribers are stakeholders or insiders, consideration for subscription will, effectiveness of issuance and funding should be taken when selecting methods and targets so as to accomplish the private placement timely. The subscriber list is as follows:

A. Director: Kuen-chan Company, Kai-chiang Comopany, Kan-hsin Liu, Chin-long Chang, Wen-huei Tsai, Ting-guo Chen.

B. Supervisor: M.K. Lu, Tan-liang Yao, Hsio-lan Hsu, Guei-chang Hsu.

C. Manager: Solar Energy Corp.

The first 10 shareholders of Kun-chang Investment Company:

Name	Shareholding Ratio	Relation with the Company
Christian Faith/Hope/Love Welfare Committee	19.90%	NA
Cross-strait Peace Taiwan Faith/Hope/Love Education Foundation	19.90%	NA
Mercy Social Welfare Committee	19.90%	NA
Via Technology Welfare Committee	19.90%	NA

The first 10 shareholders of Kai-chiang Company:

Name	Shareholding Ratio	Relation with the Company
Ling-ling Sun	83%	NA
Kai-chiang Fan	5%	NA
Hau Fan	7%	NA
Hua Fan	5%	NA

The first 10 shareholders of Solar Energy Corp.:

Name	Shareholding Ratio	Relation with the Company
Sino-American Silicon Products Inc.	7.94%	the Company
Weu-lien Technology Corp.	3.86%	NA
China Development Industrial Bank	2.12%	NA
Hsin-dong Investment Company	1.79%	NA
Keysheen Industrial Company	1.66%	NA
AVP of CDIB Capital Management Corporation	1.41%	NA
UBS Limited Accountant deposited in HSBC	0.72%	NA
Fong-chin Liu	0.68%	NA
Zu-hsin Liu	0.60%	NA
Advanced Stars Comprehensive International Stock Index Funds Account deposited in Da-tong	0.59%	NA

Relevant matters about specific subscribers shall be authorized to the chairman for full responsibility.

IV. The necessity of subscribers to be strategic investors and projected benefits:

In responding to the need of a long-term development of the company, the strategic investors will meet the company's needs on technology cooperation, quality improvement, cost reduction, stable supplier source of key components, efficiency enhancement and market expansion through their skill, knowledge, brands or channels.

V. Rights and obligations for this private placement for common shares are basically the same with those of issued common shares of the company while according to the relevant rules of Security and Exchange Act, no-trading period of 3 years is to be followed. The private placement for common shares can be offered in public for trading after 3 years.

VI. The issue price of the private placement for common shares (except the markup pricing), issuance conditions, issuance regulations etc. shall be proposed to authorized the Board to determine all related issues according to any changes in regulation, market or reviews from the authorities.

- (3) After the approval by the shareholders' meeting on the domestic capital increase by cash or the issuance of new shares and/or GDR for cash capital increase and/or the private placement for common shares, the Board is authorized to determine public offering or private placement of the issuance of common shares, conditions, volume, pricing, amount, fund usage, project items, project schedule, possible projected production benefits, record date for the capital increase and relevant matters of the private placement including commands from the authorities or market and objective environmental alteration, and others not included.
- (4) Rights and obligations about the issuance of new shares are the same with those of the issued shares.
- (5) Resolution requested

Resolution:

Item 4

(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 57 of this handbook.
- (3) Resolution requested

Resolution:

Item 5

(Proposed by the Board of Directors)

Motion: Amendment to the "Acquisition or disposal of Assets Procedure"

- (1) In compliance with laws, amendment has been made to the "Acquisition or disposal of Assets Procedure." Please refer to the comparison chart of the Articles of Incorporation on page 60 of this handbook.
- (2) Resolution requested

Resolution:

Item 6

(Proposed by the Board of Directors)

Motion: Amendment to the “Procedures for Lending Funds to other Parties”

- (1) In compliance with the operation need of the Company, amendment has been made to the “Procedures for Lending Funds to other Parties.”
- (2) Please refer to the comparison chart of the Articles of Incorporation on page 63 of this handbook.
- (3) Resolution requested

Resolution:

Item 7

(Proposed by the Board of Directors)

Motion: Amendment to the “Procedures for Endorsement and Guarantee”

- (1) In compliance with the operation need of the Company, amendment has been made to the “Procedures for Endorsement and Guarantee.”
- (2) Please refer to the comparison chart of the Articles of Incorporation on page 70 of this handbook.
- (3) Resolution requested

Resolution:

Item 8

(Proposed by the Board of Directors)

Motion: Amendment to the “Policies and procedures for Financial Derivatives Transactions”

- (1) In compliance with the operation need of the Company, amendment has been made to the “Policies and procedures for Financial Derivatives Transactions.”
- (2) Please refer to the comparison chart of the Articles of Incorporation on page 73 of this handbook.
- (3) Resolution requested

Resolution:

Election Item

Item 1

(Proposed by the Board of Directors)

Motion: Discussion on Election of the 13th Directors

- (1) The tenure of the 12th board of directors will be expired on June 25, 2017. In accordance with the 217 item of Article 195 of the Company Act, when the re-election isn't completed by the tenure expiration date, the duty of directors shall be extended till the new assumption of office.
- (2) The election of the 13th board of directors of 13 directors (including 3 independent directors) with a tenure of three years starting from June 27, 2017 to June 26th, 2020.
- (3) The Company adopts the candidate nomination system and the election shall be held at the shareholders' meeting after the review was announced according to relevant regulations.
- (4) Resolution requested

Election Result:

Other Item

Item 1

(Proposed by the Board of Directors)

Motion: Discussion on the removal of restriction on non-compete clause of new directors

- (1) Article 209 of the Company Act: A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) Since the new elected directors of the Company invest in or run other companies whose business scale are identical or similar to the Company, based on operation necessities, we submit to shareholders' meeting for approval to release the directors from obligation of non-competition.
- (3) Resolution requested

Extempore Motion

Meeting Adjourned

Attachment 1

Sino-American Silicon Products Inc.

Fiscal 2016 Business Report

Dear Shareholders,

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

The year 2016 was surly full of dramatic changes to the Taiwan solar industry. The market showed an overall supply shortage resulted from the strong demand over China market in the first half and then drastically fallen into irrational price down due to the end of China's installation rush and low price driven by high inventory. Price lower than the cost caused makers at home again had to face the pressure from loss. In 2016, SAS continued to generate group revenue through resource integration, leading technology capability and differentiation selling strategy. In solar business, consolidated revenue accumulated NT\$13.2 billion, up 2% YoY. Owing to the price drop of the entire supply chain plus losses from long-term investment recognition and exchange rates, our revenue failed to achieve the expected goal in 2016. Nevertheless SAS still kept increases in revenue and the minimum of losses by taking selected orders, reducing and adjusting the inventory and cost control. The group consolidated revenue for 2016 amounted to NT\$31.59 billion, up by 12% than NT\$28.26 billion of the previous year. Net loss was NT\$1.28 billion with an EPS of –NT\$2.77.

The 2016 operating results and 2017 business plan overview are presented as follows.

A. Operation Performance in 2016

1. Operation Performance

Unit: NT\$'000

Year Item	2016 (IFRSs)	2015 (IFRSs)	Change (%)
Operating Revenue	31,599,040	28,269,357	11.78%
Operating Costs	28,164,027	23,998,126	17.36%
Operating Profit from Operations	3,435,013	4,271,231	(19.58%)

Operating Expenses	3,392,953	2,034,619	66.76%
Operating Income (Loss)	42,060	2,236,612	(98.12%)
Income before Tax (Loss)	(856,378)	1,960,181	(143.69%)
Net Income (Loss)	(1,289,006)	1,056,402	(222.02%)
Net Income Attributable to the parent Company	(1,589,225)	534,837	(397.14%)

Almost all production lines of Taiwanese makers were fully loaded in the first half of 2016 while a heavy slump in prices came right after the shortage of demand in the latter half. According to data from MIC, the installation of the global PV in 2016 was 79.4GW, increasing by 43% compared with the 55.4GW in 2015. In 2015 SAS solar business focused on cost reduction and conversion efficiency of high efficiency products. In reinvestment business SAS also brought good performance. GWC, its semiconductor business unit made contribution with NT\$18.43 billion of consolidated revenue, NT\$939 million of net income and NT\$2.54 EPS.

2. Budget Implementation: No financial forecast for 2016

3. Profitability Analysis

Item		2016	2015
Financial Structure	Debt ratio (%)	67	38
	Long-term funds to fixed assets (%)	122	191
Profitability	Rate of return on assets (%)	(1.43)	2.57
	Rate of return on stock equity (%)	(4.62)	4.21
	Operating income to capital (%)	0.73	24.94
	Income before tax to capital (%)	(14.76)	33.19
	Net income to sales (%)	(4.08)	3.74
	Earnings per share (NT\$)	(2.77)	0.93

4. Financial structure

2016 revenue is NT\$31,599,040,000. Operating cost is NT\$28,164,027,000.

Operating expense is NT\$3,392,953,000. Other income is NT\$898,438,000. Net income before tax is NT\$856,378,000. Net income after tax is NT\$1,289,006,000.

The financial structure is healthy.

5. Research & Development Status

1) 2016 Research & Development Expenditure

Unit: NT\$'000

Item/ Year	2016	2015
------------	------	------

Research & Development Expenses	976,091	790,448
Net Revenue	31,599,040	28,269,357
R&D Expenses to Net Revenue (%)	3.09	2.80

2) Research & Development Achievement in 2016

Our technology / products

- (1) Ultra efficiency multi-crystal black wafer
- (2) High strength solar wafer
- (3) N type solar wafer
- (4) Ultra-thin solar wafer
- (5) DW mc-si wafer
- (6) High efficiency mono-crystal solar cell

Future Plan

- (1) A6+ crystal growth technology
- (2) Low impurity diffusion multi-crystal ingot growth technology
- (3) G6 hot zone energy conservation technology
- (4) Ultra efficiency P type mono-crystal solar cell
- (5) Extra high efficiency and low lid P-type solar cell

B. 2017 Operation Guideline

1. Guideline

- 1) Maintaining our leading advantages for the mono-Si PERC cell conversion, improving the production and quality of high efficiency multi-Si cells so as to provide customer service with vertical integration and stimulating customers' interest to change.
- 2) Heating up the momentum of new technology and new product development, as well as continuous development of high efficiency mc-si crystal growth and ultra-thin silicon wafer precision machining technology. Accelerating diamond wire cut multi black wafers and R wafers new product release to create our competitiveness core.
- 3) Aggressively planning layout for expending solar power plants in response to government's renewable energy policy by catching up with the local installation rush so as to accumulate the momentum to expend overseas markets through the investment experience in Taiwan

2. Sales Forecast

According to the data from MIC, due to slow demand of installation in the US, subsidies cut by Japanese government and the installation suspension from China, the forecast for 2017 installation volume will drop to 73GW. In summary, the market trend is seeking for high conversion efficiency development, such as high efficiency wafers, high efficiency cells and high efficiency modules. Thus SAS will focus on improving the quality and conversion efficiency of high efficiency Si wafers and Celco mono-crystal cell. Developing new generation of products with high efficiency and price competitiveness will help keep us well positioned in the market.

3. Sales & Production Policy

- 1) Seeking for new customers and developing emerging areas such as India and Southeast Asia.
- 2) Enhancing the connection with downstream customers and increasing added value by core technology capability and lower manufacturing costs for profitable opportunities.
- 3) Establishing long-term and steady cash income by adopting an overall vertical integration strategy and responding to the government's green power policy.

4. Future Strategy

- 1) Making a breakthrough on Si wafers and cells so as to release high efficiency wafer and cell products of the next generation.
- 2) Maintaining our position by resource integration, cost reduction, as well as skill and product differentiation.
- 3) Establishing integrated supply chain from up, middle and downstream and reducing operating risks through vertical and diversified strategy so as to become a global leading green energy provider.
- 4) Aggressively involving in solar power plant business and construction service to expand markets continuously at home and abroad.

5. Influences from External Competition, Regulations and Economy

- 1) To survive from various competitors and oversupply, SAS has aggressively continued to explore new customers and provide superior products and service by developing highly cost-effective new products.
- 2) To respond the price drop out of oversupply, SAS will improve the connection with downstream customers to increase our value by developing high efficiency niche products through our core technology.

- 3) Establishing global patent core strategy to enhance our capability facing international competitiveness and market changes.

Looking forward to 2017, the global solar market will enter a slow season due to various factors of installation decline, oversupply and policy changes from the government. It is going to be another challenging year with uncertainty for most Taiwanese solar makers. According to data from MIC, it is assumed that supply will add up to 90GW while only 76.9GW is demanded from the market. The oversupply is estimated to affect the price for cell as well as gains of manufacturers. To fight in such industry environment, the main target of SAS is to reduce costs and speed up the development of our high efficiency products of the next generation for building up our competitive advantage. SAS has already accomplished the blueprint for our territory after vertical integration starting from high efficiency wafers at the upstream to cells, modules and high efficiency mono-crystal PERC product out of mid to downstream plus an entire layout of the system arrangement. SAS will continue to expand our layout regarding solar power farms and aggressively increase the power farm construction domestically through group integration so as to stabilized long-term gains with sound operating scale for accomplishing the goal of maximizing benefits of shareholders and continuous operation of the industry.

Chairman	M.K. Lu
President	Doris Hsu
Chief Accountant	Betty Chiu

Attachment 2

Audit Committee Review Audit Report

The Board of Directors has prepared the Company's 2016 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 21, 2017

Attachment 3

Independent Auditors' Report (Consolidated)

To the Board of Directors of Sino-American Silicon Products Inc.,

Opinion

We have audited the consolidated financial statements of Sino-American Silicon Products Inc. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2016 and 2015 and January 1, 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2016 and 2015 and January 1, 2015, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2016 and 2015 and January 1, 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained, inclusive of the report from other auditors, is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Among the inclusion of the Group's investment accounted for using the equity method, audit on the financial report of Crystalwise Technology was not conducted by us but by other accountants. Therefore, the opinion we provided for the standalone financial report about the recognition amount from Crystalwise Technology's financial report was based on the audit report of other accountant. The investment amounts using equity method by Crystalwise Technology as at

December 31, 2016 and 2015 respectively were 1% and 3% of the total asset. The loss of affiliated enterprises using equity method from January 1 to December 31, 2016 and 2015 was 40% of loss before tax and (29)% of profit before tax respectively.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of 2016. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matter that should be disclosed in this audit report are as follows.

1. Revenue recognition

Please refer to note 4(16) "Revenue recognition" for accounting policy and note 6(25) "Revenue" of the consolidated financial statements.

Description of key audit matter:

The main revenue of the Group came from the selling of semiconductor silicon materials and related components. The timing for revenue recognition was determined according to agreements with customers. With large transaction volume from each operating site all over the world, we considered it one of the important matter while auditing the consolidated financial report of the Group.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding of revenue recognition policies and assessing whether revenue recognition policies are appropriate based on sales terms and revenue recognition criteria; understanding the design and process of implementation of internal controls and testing operating effectiveness; testing selected sales samples and agreeing to customer orders, delivery note, cash receipts and related documentation supporting sales before or after the balance sheet date by reviewing related sales terms, inspecting delivery documents, and other related supporting document to evaluate whether the revenue was recorded in proper period.

2. Inventory valuation

Please refer to note 4(8) "Inventories", note 5(1) "Inventory valuation" and note 6(4) of the consolidated financial statements.

Description of key audit matter:

The solar business unit of the Group sells and manufactures solar silicon wafers, solar cells and power generation business. The market demand and prices of its related products fluctuated due to factors as governments' subsidy policy and anti-dumping that may resulted in risks of high inventory cost over net realization value. Thus we considered it as one of the important

matters regarding its standalone financial report. While its semiconductor business unit selling and manufacturing semiconductor silicon materials with a variety of product applications also showed risks for technology changes, phased-out inventory or sluggishness that made inventory evaluation considered as an important asset of the Group. Thus we considered it one of the important matters while auditing the financial report of the Group.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding of inventory valuation policies and assessing whether those policies are applied consistently to inventory valuation; testing the accuracy of inventory aging report; analyzing the change of inventory items aged over two years; and selecting samples for testing and inspecting the source of inventory net realizable value information used in valuation purposely to assess for reasonableness.

3. Realty, factories and equipment valuation

Please refer to note 4(13) “Non-financial asset valuation” and note 5(2) of the consolidated financial statements.

Description of key audit matter:

The product prices of the solar business unit of the Group continued to drop due to market factors and green power policy changes from governments. Thus we considered it important to estimate the loss on their realty, factories and equipment. The loss evaluation on asset included cash generation unit distinction, evaluation method determination, crucial consumption selection and receivable amount calculation etc. that required subjective judgments of the management level. Thus we consider it as an important matter for auditing.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding and testing of the important assumptions such as valuation model, future cash flow forecast, service life and weighted average cost of capital taken by the authorities including the expected product income, costs and expenses etc., evaluating of the accuracy of the authorities in the past; analyzing the outcome sensitivity; also indentifying through inquiring related procedures if there is any matter affecting the outcome of loss testing after the financial information is reported.

4. Business combination

Please refer to the note 4(20) “Business combination” for accounting policy, note 5(3) “Business combination” for fair value determination of indentifiable assets and liabilities, and note 6(9) for the acquisition of subsidiary of the consolidated financial statements for further details.

Description of key audit matter:

To expand their global sales network and increase product development capability, the Group acquired all shareholding of the semiconductor business unit of Topsil Semiconductor materials A/S and SunEdison Semiconductor limited in 2016. The transaction amount of the above acquisition for operating assets, technology and goodwill of each operating site contained complicated accounting details. Thus we considered it as one of the important matter for auditing the consolidated financial report of the Group.

How the matter was addressed in our audit:

In relation to the key audit above, we have performed certain key audit procedures that included reading of share purchase agreements to identify the counterparty, purchase price and relevant terms and conditions, and what specific accounting standard is applicable or additional information needed to be disclosed in the notes of the financial statements; reviewing the Group's purchase price allocation to the identifiable assets and liabilities; assessing the reasonableness of sources and key assumptions used for determining the fair value; reviewing business acquisition related transactions in the subsequent period to indentify whether there are necessary significant adjustments to the purchase price; and evaluating whether the disclosure in the notes to the consolidated financial statements of the business acquisitions is appropriate.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is **responsible** for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with

relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Taipei, Taiwan (Republic of China)

March 23, 2017

2016 Financial Statements (Consolidated)

Financial Statement — Balance Sheet

Provided by: Sino-American Silicon Products Inc.

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2016/12/31	2015/12/31
Balance Sheet		
Assets		
Current assets		
Cash and cash equivalents		
Total cash and cash equivalents	9,269,460	5,901,967
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	2,442	0
Total current financial assets at fair value through profit or loss	2,442	0
Accounts receivable, net		
Accounts receivable	8,329,710	5,950,667
Accounts receivable, net	8,329,710	5,950,667
Accounts receivable due from related parties, net		
Accounts receivable due from related parties	230,137	253,216
Accounts receivable due from related parties, net	230,137	253,216
Inventories		
Inventories, manufacturing business		
Inventories, manufacturing business, net	9,708,321	5,748,878
Total inventories	9,708,321	5,748,878
Prepayments		
Total prepayments	916,647	776,489
Other current assets		
Other current financial assets	528,827	47,520
Other current assets, others	1,158,075	602,690
Total other current assets	1,686,902	650,210
Total current assets	30,143,619	19,281,427
Non-current assets		
Non-current available-for-sale financial assets		
Non-current available-for-sale financial assets	661,280	1,373,871
Non-current available-for-sale financial assets, net	661,280	1,373,871
Held-to-maturity non-current financial assets		
Non-current held-to-maturity financial assets, net	281,400	0
Non-current financial assets at cost		

Non-current financial assets at cost	898,754	1,362,697
Non-current financial assets at cost, net	898,754	1,362,697
Investments accounted for using equity method		
Investments accounted for using equity method	1,190,070	1,606,867
Investments accounted for using equity method, net	1,190,070	1,606,867
Property, plant and equipment		
Land, net		
Land, cost	3,619,236	770,267
Land, net	3,619,236	770,267
Buildings and structures, net		
Buildings and structures, cost	18,686,141	13,338,408
Accumulated depreciation, buildings and structures	7,580,754	7,088,486
Buildings and structures, net	11,105,387	6,249,922
Machinery and equipment, net		
Machinery and equipment, cost	58,620,449	40,610,309
Accumulated depreciation, machinery and equipment	35,622,817	34,406,817
Machinery and equipment, net	22,997,632	6,203,492
Other facilities, net		
Other facilities, cost	3,551,350	3,165,514
Accumulated depreciation, other facilities	1,952,090	1,727,152
Other facilities, net	1,599,260	1,438,362
Unfinished construction and equipment under acceptance	2,076,313	4,242,681
Total property, plant and equipment	41,397,828	18,904,724
Intangible assets		
Patents, net		
Patents	0	0
Patents, net	0	0
Goodwill	2,585,621	701,566
Acquired special technology, net		
Acquired special technology	1,708,113	0
Accumulated impairment, acquired special technology	2,286	0
Acquired special technology, net	1,705,827	0
Other intangible assets, net		
Other intangible assets	0	0
Other intangible assets, net	0	0
Intangible assets under development, net		
Intangible assets under development	153,291	0
Accumulated impairment, intangible assets under development	8,666	0
Intangible assets under development, net	144,625	0

Total intangible assets	4,436,073	701,566
Other non-current assets		
Non-current prepayments for investments	0	0
Other non-current financial assets		
Other non-current financial assets, others	424,931	230,958
Total other non-current financial assets	424,931	230,958
Other non-current assets, others		
Other non-current assets, others	3,580,453	2,724,226
Total other non-current assets, others	3,580,453	2,724,226
Total other non-current assets	4,005,384	2,955,184
Total non-current assets	52,870,789	26,904,909
Total assets	83,014,408	46,186,336
Liabilities and equity		
Liabilities		
Current liabilities		
Short-term borrowings		
Bank loan	16,465,410	2,610,081
Total short-term borrowings	16,465,410	2,610,081
Current financial liabilities at fair value through profit or loss		
Current financial liabilities at fair value through profit or loss, designated as upon initial recognition	23,631	0
Total current financial liabilities at fair value through profit or loss	23,631	0
Accounts payable		
Accounts payable	6,323,165	2,726,322
Total accounts payable	6,323,165	2,726,322
Accounts payable to related parties		
Accounts payable to related parties	4,370	205,707
Total accounts payable to related parties	4,370	205,707
Other payables		
Wages and salaries payable	1,300,219	688,235
Dividends payable	0	0
Total other payables	1,300,219	688,235
Current provisions		
Short-term onerous contracts provision	408,703	588,585
Short-term provision for decommissioning, restoration and rehabilitation costs	9,690	0
Total current provisions	418,393	588,585
Other current liabilities		
Advance receipts		
Advance sales receipts	418,855	276,929

Total advance receipts	418,855	276,929
Long-term liabilities, current portion		
Long-term borrowings, current portion	1,238,990	65,587
Total long-term liabilities, current portion	1,238,990	65,587
Other current liabilities, others	5,708,632	2,908,665
Total other current liabilities	7,366,477	3,251,181
Total current liabilities	31,901,665	10,070,111
Non-current liabilities		
Long-term borrowings		
Long-term bank loans	16,356,833	2,545,519
Total long-term borrowings	16,356,833	2,545,519
Non-current provisions		
Long-term onerous contracts provision	502,936	715,725
Long-term provision for decommissioning, restoration and rehabilitation costs	133,272	29,094
Total non-current provisions	636,208	744,819
Other non-current liabilities		
Other non-current liabilities, others	6,892,615	4,256,311
Total other non-current liabilities	6,892,615	4,256,311
Total non-current liabilities	23,885,656	7,546,649
Total liabilities	55,787,321	17,616,760
Equity		
Equity attributable to owners of parent		
Share capital		
Ordinary share	5,800,312	5,800,312
Advance receipts for share capital	0	0
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	14,832,456	15,234,589
Total capital surplus, additional paid-in capital	14,832,456	15,234,589
Capital surplus, treasury share transactions	31,765	31,765
Capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed	2,492,997	1,889,777
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	1,092,242	1,090,919
Capital surplus, employee share options	372,023	367,641
Total capital surplus	18,821,483	18,614,691
Retained earnings		
Legal reserve	311,579	259,628

Special reserve	513,302	513,302
Unappropriated retained earnings (accumulated deficit)		
Accumulated profit and loss	-1,565,754	519,512
Total unappropriated retained earnings (accumulated deficit)	-1,565,754	519,512
Total retained earnings	-740,873	1,292,442
Other equity interest		
Exchange differences on translation of foreign financial statements		
Exchange differences on translation of foreign financial statements, parent	-1,617,512	-1,460,070
Total exchange differences on translation of foreign financial statements	-1,617,512	-1,460,070
Unrealized gains (losses) on available-for-sale financial assets		
Unrealized gains (losses) on available-for-sale financial assets, parent	-1,188,654	-1,087,491
Total unrealized gains (losses) on available-for-sale financial assets	-1,188,654	-1,087,491
Other equity, others		
Other equity, others	-6,354	-3,267
Total other equity, others	-6,354	-3,267
Total other equity interest	-2,812,520	-2,550,828
Treasury shares	169,861	169,861
Total equity attributable to owners of parent	20,898,541	22,986,756
Non-controlling interests	6,328,546	5,582,820
Total equity	27,227,087	28,569,576
Total liabilities and equity	83,014,408	46,186,336
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	5,555,000

Financial Statement – Income Statement

Provided by: Sino-American Silicon Products Inc.

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2016/4th	2015/4th
Statement of comprehensive income		
Operating revenue		
Net sales revenue		
Sales revenue		
Sales revenue	31,599,040	28,269,357
Total sales revenue	31,599,040	28,269,357
Net sales revenue	31,599,040	28,269,357
Total operating revenue	31,599,040	28,269,357
Operating costs		
Cost of sales		
Cost of sales	28,164,027	23,998,126
Total cost of sales	28,164,027	23,998,126
Total operating costs	28,164,027	23,998,126
Gross profit (loss) from operations	3,435,013	4,271,231
Gross profit (loss) from operations	3,435,013	4,271,231
Operating expenses		
Selling expenses		
Total selling expenses	631,529	517,037
Administrative expenses		
Total administrative expenses	1,785,333	727,134
Research and development expenses		
Total research and development expenses	976,091	790,448
Total operating expenses	3,392,953	2,034,619
Net operating income (loss)	42,060	2,236,612
Non-operating income and expenses		
Other income		
Interest income		
Interest income from bank deposits	22,315	44,949
Total interest income	22,315	44,949
Dividend income	13,841	15,740
Total other income	36,156	60,689
Other gains and losses		
Foreign exchange gains	18,543	79,225
Miscellaneous disbursements	88,419	-112,852

Losses on disposals of investments	-81,131	0
Losses on financial assets (liabilities) at fair value through profit or loss	-61,893	275
Impairment loss		
Other impairment loss	452,661	57,826
Total impairment loss	452,661	57,826
Other gains and losses, net	-379,513	133,976
Finance costs		
Interest expense	172,816	76,882
Finance costs, net	172,816	76,882
Share of profit (loss) of associates and joint ventures accounted for using equity method		
Share of loss of associates and joint ventures accounted for using equity method	382,265	394,214
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	-382,265	-394,214
Total non-operating income and expenses	-898,438	-276,431
Profit (loss) from continuing operations before tax	-856,378	1,960,181
Tax expense (income)		
Current tax expense (income)	432,628	903,779
Total tax expense (income)	432,628	903,779
Profit (loss) from continuing operations	-1,289,006	1,056,402
Profit (loss)	-1,289,006	1,056,402
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	34,914	-32,764
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6,599	-10,574
Components of other comprehensive income that will not be reclassified to profit or loss	28,315	-22,190
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation	-314,499	394,365
Unrealised gains (losses) on valuation of available-for-sale financial assets	-2,978	-194,379
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	-31,979	-6,235
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	7,269	8,621
Components of other comprehensive income that will be reclassified to profit or loss	-356,725	185,130
Other comprehensive income, net	-328,410	162,940
Total comprehensive income	-1,617,416	1,219,342
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	-1,589,225	534,837

Profit (loss), attributable to non-controlling interests	300,219	521,565
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	-1,832,339	635,474
Comprehensive income, attributable to non-controlling interests	214,923	583,868
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	-2.77	0.93
Total basic earnings per share	-2.77	0.93
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	-2.77	0.92
Total diluted earnings per share	-2.77	0.92

Financial Statement – Statements of Cash Flows

Provided by: Sino-American Silicon Products Inc.

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2016/4th	2015/4th
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	-856,378	1,960,181
Profit (loss) before tax	-856,378	1,960,181
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	2,741,881	2,160,160
Amortization expense	15,768	31,775
Provision (reversal of provision) for bad debt expense	19,284	9,133
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-39,237	0
Interest expense	172,816	76,882
Interest income	-22,315	-44,949
Dividend income	-13,841	-15,740
Share-based payments	5,563	15,620
Share of loss (profit) of associates and joint ventures accounted for using equity method	382,265	394,214
Loss (gain) on disposal of property, plan and equipment	17,413	9,560
Loss (gain) on disposal of investments	-81,131	0
Impairment loss on financial assets	452,661	57,826
Impairment loss on non-financial assets	125,516	134,551
Other adjustments to reconcile profit (loss)	219,705	52,597
Total adjustments to reconcile profit (loss)	3,996,348	2,881,629
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in accounts receivable	875,715	-1,194,215
Decrease (increase) in inventories	-64,377	-2,287,727
Decrease (increase) in prepayments	541,541	895,628
Decrease (increase) in other operating assets	242,590	-221,598
Total changes in operating assets	1,595,469	-2,807,912
Changes in operating liabilities		
Increase (decrease) in accounts payable	-172,362	219,281
Increase (decrease) in provisions	-358,680	-346,931
Increase (decrease) in receipts in advance	2,887	-730,464
Increase (decrease) in net defined benefit liability	-22,861	90,856
Increase (decrease) in other operating liabilities	-462,085	25,877

Total changes in operating liabilities	-1,013,101	-741,381
Total changes in operating assets and liabilities	582,368	-3,549,293
Total adjustments	4,578,716	-667,664
Cash inflow (outflow) generated from operations	3,722,338	1,292,517
Interest received	20,238	45,666
Dividends received	13,841	15,740
Interest paid	-160,818	-78,591
Income taxes refund (paid)	-1,099,479	-114,980
Net cash flows from (used in) operating activities	2,496,120	1,160,352
Cash flows from (used in) investing activities		
Acquisition of available-for-sale financial assets	0	-709,612
Acquisition of held-to-maturity financial assets	-280,000	0
Acquisition of financial assets at cost	-9,000	-2,305
Proceeds from capital reduction of financial assets at cost	10,568	5,464
Acquisition of property, plant and equipment	-4,001,213	-4,188,006
Proceeds from disposal of property, plant and equipment	56,160	102,238
Decrease in refundable deposits	2,727	-2,686
Net cash inflows from business combination	-16,968,015	0
Increase in other financial assets	-250,448	345,060
Dividends received	0	10,182
Net cash flows from (used in) investing activities	-21,439,221	-4,439,665
Cash flows from (used in) financing activities		
Increase in short-term loans	13,555,429	-209,287
Proceeds from long-term debt	15,607,812	1,599,000
Repayments of long-term debt	-6,950,935	-3,467,746
Cash dividends paid	-861,714	-1,044,058
Payments to acquire treasury shares	0	-169,861
Change in non-controlling interests	1,093,660	6,952,761
Net cash flows from (used in) financing activities	22,444,252	3,660,809
Effect of exchange rate changes on cash and cash equivalents	-133,658	129,889
Net increase (decrease) in cash and cash equivalents	3,367,493	511,385
Cash and cash equivalents at beginning of period	5,901,967	5,390,582
Cash and cash equivalents at end of period	9,269,460	5,901,967
Cash and cash equivalents reported in the statement of financial position	9,269,460	5,901,967

Financial Statement – Statements of Changes in Stockholders' Equity

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

2016/12/31 Statement of Stockholders' Equity

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	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
Legal reserve appropriated				51,951		-51,951	0						0		0
Special reserve appropriated													0		0
Cash dividends of ordinary share						-459,581	-459,581						-459,581		-459,581
Changes in equity of associates and joint ventures accounted for using equity method			1,323							-3,087	-3,087		-1,764	392	-1,372
Cash dividends from capital surplus			-402,133										-402,133		-402,133
Profit (loss)						-1,589,225	-1,589,225						-1,589,225	300,219	-1,289,006
Other comprehensive income						15,491	15,491	-157,442	-101,163		-258,605		-243,114	-85,296	-328,410
Total comprehensive income						-1,573,734	-1,573,734	-157,442	-101,163		-258,605		-1,832,339	214,923	-1,617,416
Changes in ownership interests in subsidiaries			603,220										603,220	1,101,349	1,704,569
Changes in non-controlling interests														43,847	43,847
Share-based payments			4,382										4,382		4,382
Others														-614,785	-614,785
Total increase (decrease) in equity	0	0	206,792	51,951		-2,085,266	-2,033,315	-157,442	-101,163	-3,087	-261,692		-2,088,215	745,726	-1,342,489
Equity at end of period	5,800,312	5,800,312	18,821,483	311,579	513,302	-1,565,754	-740,873	-1,617,512	-1,188,654	-6,354	-2,812,520	-169,861	20,898,541	6,328,546	27,227,087

2015/12/31 Statement of Stockholders' Equity

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		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)						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						519,512	519,512	209,540	-93,578		115,962		635,474	583,868	1,219,342
Purchase of treasury share												-169,861	-169,861		-169,861
Disposal of subsidiaries or investments accounted for using equity method			0										0	0	0
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	0	0	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	28,569,5

Attachment 4

Independent Auditors' Report (Standalone)

To the Board of Directors of Sino-American Silicon Products Inc.,

Opinion

We have audited the financial statements of Sino-American Silicon Products inc. ("the Company"), which comprise the balance sheets as of December 31, 2016 and 2015 and January 1, 2015, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2016 and 2015 and January 1, 2015, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016 and 2015 and January 1, 2015, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained, inclusive of the report from other auditors, is sufficient and appropriate to provide a basis of our opinion.

Other Matter

Among the inclusion of the Company's investment accounted for using the equity method, audit on the financial report of Crystalwise Technology was not conducted by us but by other accountants. Therefore, the opinion we provided for the standalone financial report about the recognition amount from Crystalwise Technology's financial report was based on the audit report of other accountant. The investment amounts using equity method by Crystalwise Technology as at

December 31, 2016 and 2015 respectively were 4% and 5% of the total asset. The loss of affiliated enterprises using equity method from January 1 to December 31, 2016 and 2015 was 21% of loss before tax and (59)% of profit before tax respectively.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

1. Inventory valuation

Please refer to note 4(7) "Inventories", note 5(1) "Inventory valuation" and note 6(3) of the consolidated financial statements.

Description of key audit matter:

The Company sells and manufactures solar silicon wafers, solar cells and power generation business. The market demand and prices of its related products fluctuated due to factors as governments' subsidy policy and anti-dumping that may resulted in risks of high inventory cost over net realization value. Thus we considered it as one of the important matters regarding its standalone financial report.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding of inventory valuation policies and assessing whether those policies are applied consistently to inventory valuation; testing the accuracy of inventory aging report; analyzing the change of inventory items aged over two years; and selecting samples for testing and inspecting the source of inventory net realizable value information used in valuation purposely to assess for reasonableness.

2. Realty, factories and equipment valuation

Please refer to note 4(13) "Non-financial asset valuation" and note 5(2) of the consolidated financial statements.

Description of key audit matter:

The product prices of the Company continued to drop due to market factors and green power policy changes from governments. Thus we considered it important to estimate the loss on their realty, factories and equipment. The loss evaluation on asset included cash generation unit distinction, evaluation method determination, crucial consumption selection and

receivable amount calculation etc. that required subjective judgments of the management level. Thus we consider it as an important matter for auditing.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding and testing of the important assumptions such as valuation model, future cash flow forecast, service life and weighted average cost of capital taken by the authorities including the expected product income, costs and expenses etc., evaluating of the accuracy of the authorities in the past; analyzing the outcome sensitivity; also indentifying through inquiring related procedures if there is any matter affecting the outcome of loss testing after the financial information is reported.

3. Impairment on investment accounted for using the equity method

Please refer to note 4(9) “Invest subsidiary”, note 6(7) “Investment adopting equity method” and note 6(8) changes to all equity of its subsidiary.

Description of key audit matter:

The Company holds investment using the equity method – 60.20% shareholding of its subsidiary (GlobalWafers Co., Ltd.) which takes 32% of the Company’s total asset. We consider it one of the important matter for auditing.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included auditing the comprehensive profit and loss of the investment toward its subsidiary according to the shareholding ratio; confirming the number of the share held; discussing and understanding with the management level about important valuations on its subsidiary so as to indentify the reasonableness of accounting if the revenue recognition of the subsidiary is dealt in proper period by inventory valuation and business combination; reviewing the adequacy of the financial information disclosed by the management level.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate

the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Taipei, Taiwan (Republic of China)

March 23, 2017

Sino-American Silicon Products Inc.
Parent-Company-Only Statements of Financial Position
December 31, 2016 and 2015 (expressed in thousands of New Taiwan dollars)

	December 31, 2016		December 31, 2015	
Assets				
Current assets:		%		%
Cash and cash equivalents	\$ 2,579,645	9	1,279,123	4
Notes and trade receivable, net	488,815	2	1,289,888	4
Accounts receivable from related parties	1,181,941	4	1,362,216	4
Inventories, net	2,006,867	7	1,995,196	6
Prepayments for materials	484,203	2	439,566	1
Other current assets	<u>131,742</u>	-	<u>194,142</u>	1
	<u>6,873,213</u>	24	<u>6,560,131</u>	20
Non-current assets:				
Available-for-sale financial assets – non-current	661,280	2	840,130	3
	281,400	1		
Financial assets carried at cost – non-current	368,141	1	811,802	2
Investments accounted for using equity method	13,244,929	44	15,159,801	47
Property, plant and equipment, net	7,114,781	24	7,282,061	23
Intangible assets	—	—	—	—
Deferred income tax assets	210,876	1	263,473	
Other financial assets – non-current	24,636	—	41,796	—
Long-term prepayments for materials	<u>827,887</u>	3	<u>1,310,401</u>	4
	<u>22,733,930</u>	76	<u>25,709,464</u>	80
Total Assets	<u>\$ 29,607,143</u>	100	<u>32,269,595</u>	100

	December 31, 2016		December 31, 2015	
Liabilities and Stockholders' Equity				
Current liabilities:		%		%
Short-term borrowings	\$ 1,760,000	6	1,150,000	3
Notes and accounts payable	1,376,761	4	1,337,461	4
Payables to related parties	6,441	-	339,609	1
Payroll and bonus payable	267,900	1	233,436	1
Other current liabilities	386,521	1	1,052,910	3
Revenue received in advance for sales	318,136	1	268,439	1

Provision – current	—	—	119,519	—
Current portion of long-term loans payable	<u>748,011</u>	<u>3</u>	<u>65,587</u>	<u>—</u>
	<u>4,863,770</u>	<u>15</u>	<u>4,447,442</u>	<u>13</u>
Non-current liabilities:				
Long-term loans payable	1,990,000	7	2,545,519	8
Liability reserve	427,000	1	427,000	1
Other liabilities – non-current	22,580	-	318,515	1
Revenue received in advance for sales – non-current	<u>1,405,324</u>	<u>5</u>	<u>1,544,363</u>	<u>5</u>
	<u>3,844,832</u>	<u>13</u>	<u>4,835,397</u>	<u>15</u>
Total Liabilities	<u>8,708,602</u>	<u>28</u>	<u>9,282,839</u>	<u>28</u>
Equity:				
Common stock	<u>5,800,312</u>	<u>20</u>	<u>5,800,312</u>	<u>18</u>
Capital surplus	<u>18,821,483</u>	<u>64</u>	<u>18,614,691</u>	<u>58</u>
Retained earnings:				
Legal reserve	311,579	1	259,628	1
Special reserve	513,302	2	513,302	2
Unappropriated earnings (accumulated deficits)	<u>(1,565,754)</u>	<u>(5)</u>	<u>519,512</u>	<u>2</u>
	<u>(740,873)</u>	<u>(2)</u>	<u>1,292,442</u>	<u>5</u>
Other equity	<u>(2,812,520)</u>	<u>(9)</u>	<u>(2,550,828)</u>	<u>(8)</u>
Tresury Stock	<u>(169,861)</u>	<u>(1)</u>	<u>(169,861)</u>	<u>(1)</u>
Total Equity	<u>20,898,541</u>	<u>72</u>	<u>22,986,756</u>	<u>72</u>
Total Liabilities and Equity	<u>\$ 29,607,143</u>	<u>100</u>	<u>32,269,595</u>	<u>100</u>

Parent-Company-Only Statements of Profit or Loss and Other Comprehensive Income
Years ended December 31, 2016 and 2015 (expressed in thousands of New Taiwan dollars, except for earnings per share)

	<u>2016</u>		<u>2015</u>	
		%		%
Operating revenues:	\$ 10,390,005	100	11,915,968	100
Cost of goods sold	<u>11,298,216</u>	<u>109</u>	<u>11,936,762</u>	<u>100</u>
Gross loss	<u>(908,211)</u>	<u>(9)</u>	<u>(20,794)</u>	—
Operating expenses:				
Selling	53,714	—	49,275	—
General and administrative	106,182	1	147,319	1
Research and development	<u>207,175</u>	<u>2</u>	<u>211,867</u>	<u>2</u>
Total operating profit	<u>367,071</u>	<u>3</u>	<u>408,461</u>	<u>3</u>
Operating loss	<u>(1,275,282)</u>	<u>(12)</u>	<u>(429,255)</u>	<u>(3)</u>
Non-operating income and (expenses):				
Other income	25,007	—	21,852	—
Other gains and (losses)	<u>(446,619)</u>	<u>(4)</u>	58,280	—
Interest expense	<u>(66,422)</u>	<u>(1)</u>	<u>(65,172)</u>	<u>(1)</u>
Share of profit or loss of subsidiaries and associates accounted for using equity method	<u>170,432</u>	<u>2</u>	<u>1,083,387</u>	<u>9</u>
Total non-operating income and expenses	<u>(317,602)</u>	<u>(3)</u>	<u>1,098,347</u>	<u>8</u>
Profit from continuing operations before income tax	<u>(1,592,884)</u>	<u>(15)</u>	669,092	5
Income tax expense	<u>(3,659)</u>	-	<u>134,255</u>	<u>1</u>
Net profit (loss)	<u>(1,589,225)</u>	<u>(15)</u>	<u>534,837</u>	<u>4</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>(3,905)</u>	—	<u>(1,573)</u>	—
Share of other comprehensive income of subsidiaries and associates accounted for using equity method	<u>19,396</u>	—	<u>(13,752)</u>	—
Total of items that may be reclassified subsequently to profit or loss:	<u>15,491</u>	—	<u>(15,325)</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	<u>(76,933)</u>	—	26,536	—
Unrealized gain (loss) on available-for-sale financial assets	<u>(178,850)</u>	<u>(2)</u>	<u>(18,507)</u>	—

Share of other comprehensive income of subsidiaries and associates accounted for using equity method	(15,900)	—	112,444	<u>1</u>
Income tax related to other comprehensive income	<u>13,078</u>	<u>—</u>	<u>(4,511)</u>	<u>—</u>
Total other comprehensive income (loss), net of income tax	<u>(243,114)</u>	<u>(2)</u>	<u>100,637</u>	<u>1</u>
Total comprehensive income (loss)	<u>\$ (1,832,339)</u>	<u>(17)</u>	<u>635,474</u>	<u>5</u>
Earnings per share (in dollars)				
Basic earnings (loss) per share	<u>\$ (2.77)</u>		<u>0.93</u>	
Diluted earnings (loss) per share			<u>\$ 0.92</u>	

Parent-Company-Only Statements of Changes in Stockholders' Equity
Years ended December 31, 2016 and 2015 (expressed in thousands of New Taiwan dollars)

	Commo n	Capital stock	Retained Earnings				Other Equity				Treasury	
			Legal reserv e	Special reserv e	Unappropriate d earnings (accumulated deficit)	Total	Exchange s on difference translation	Unrealized gain (loss) on available-for-sa le financial		Total	stock	Total equity
								assets	other			
		5,800,31	16,995,50	220,40	160,33					(2,670,51		20,898,23
Balance at January 1, 2015	\$	2	9	9	0	392,191	772,930	1,669,610	(993,913)	(6,989) 2)	=	9
Net profit for the period	—	—	—	—	—	534,837	534,837	—	—	—	—	534,837
Other comprehensive profit and loss	=	=	=	=	(15,325)	(15,325)	209,540	(93,578)	=	115,962	=	100,637
Total comprehensive profit and loss	=	=	=	=	519,512	519,512	209,540	(93,578)	=	115,962	=	635,747
Appropriation and distribution of retained earnings (Note1)												
Legal reserve	—	—	39,219	—	(39,219)	—	—	—	—	—	—	—
Special reserve used to offset company losses	—	—	—	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	<u>5,800,312</u>	<u>18,614,691</u>	<u>259,628</u>	<u>513,302</u>	<u>519,512</u>	<u>1,292,442</u>	<u>(1,460,070)</u>	<u>(1,087,491)</u>	<u>(3,267)</u>	<u>8</u>	<u>(169,861)</u>	<u>22,986,756</u>
Net profit for the period	—	—	—	—	(1,589,225)	5)	—	—	—	—	—	(1,589,225)
Other comprehensive income (loss)	=	=	=	=	15,491	15,491	(157,442)	(101,163)	—	(258,605)	=	(243,114)
Total comprehensive income (loss)	=	=	=	=	(1,573,734)	4)	(157,442)	(101,163)	=	(258,605)	=	9)
Appropriation and distribution of retained earnings (Note 2):												

Legal reserve	—	—	51,951	—	(51,951)	—	—	—	—	—	—
Common shares cash dividend	—	—	—	—	(459,581)	(459,581)	—	—	—	—	(459,581)
Capital surplus cash dividend declared	—	(402,133)	—	—	—	—	—	—	—	—	(402,133)
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees	—	4,382	—	—	—	—	—	—	—	—	4,382
Difference of equity accounted investees	—	1,323	—	—	—	—	—	—	(3,087)	(3,087)	(1,764)
Proceeds from sales of subsidiaries' equity to non-controllig invest	—	603,220	—	—	—	—	—	—	—	—	603,220
Balance at December 31, 2016	\$ 2	3	9	2	(1,565,754)	(740,873)	2)	(1,188,654)	(6,354)	0)	1
	<u>5,800,31</u>	<u>18,821,48</u>	<u>311,57</u>	<u>513,30</u>			<u>(1,617,51</u>		<u>(2,812,52</u>	<u>(169,861</u>	<u>20,898,54</u>

Note: Remuneration for 2016 and January 1 to December 31, 2015 of NT\$0 and NT\$11,000,000 for directors and of NT\$0 and NT\$58,372,000 for employees have been deducted from comprehensive profit and loss table.

Parent-Company-Only Statements of Cash Flows
Years ended December 31, 2016 and 2015 (expressed in thousands of New Taiwan dollars)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Income (loss) before tax	\$ (1,592,884)	669,092
Adjustments :		
Adjustments for:		
Depreciation	1,036,737	894,326
Amortization	—	17,785
Provision for (reversal of) allowance for doubtful accounts	(565)	(114)
Interest expenses	66,422	65,172
Interest income	(11,166)	(6,128)
Dividend income	(13,841)	(15,724)
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees	4,382	12,303
Share of profit or loss of subsidiaries and associates accounted for using equity method	(170,432)	(1,083,387)
Loss from disposal and write-off of property, plant and equipment	5,730	4,297
Loss on non-financial asset impairment	—	192,377
Gain(loss) from financial assets	452,661	57,826
Gain(loss) from non-financial assets	21,268	134,551
Provision for (reversal of) inventory obsolescence and devaluation loss	142,367	32,182
Expense with no effect on cash flow	1,492	4,518
Total adjustments to reconcile income (loss) before tax	<u>1,535,055</u>	<u>117,607</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets designated as at fair value through profit or loss	—	—
Notes and accounts receivable (including related parties)	1,274,882	(964,657)
Inventories	(267,157)	(592,150)
Prepayments for materials	416,609	534,050
Other current assets	62,862	2,868
Other financial assets	(462)	223
Total changes in operating assets	<u>1,486,734</u>	<u>(1,019,666)</u>

Changes in operating liabilities:		
Notes and accounts payable (including related parties)	(293,868)	620,442
Provision	—	—
Revenue received in advance for sales	(89,342)	(638,920)
Accrued pension liabilities	(18,636)	261
Accrued expenses and other current liabilities	(78,639)	(20,197)
Total changes in operating liabilities	(480,485)	(38,414)
Total changes in operating assets and liabilities	1,006,249	(1,058,080)
Total adjustments	2,541,304	(940,473)
Cash inflow (outflow) generated from operations	948,420	(271,381)
Interest received	9,766	6,063
Dividend received	13,841	15,724
Interest paid	(65,975)	(66,600)
Income taxes paid	(115,035)	—
Net cash outflows used in operating activities	791,017	(316,194)

	2016	2015
Cash flows from investing activities:		
Acquisition of loan to related party	\$ (292,969)	(179,675)
Acquisition of financial assets available for sale	(280,000)	—
Acquisition of financial assets carried at cost	(9,000)	(2,305)
Acquisition of equity-accounted investees	(296,000)	(799,373)
Acquisition of subsidiaries (excluding cash obtained)	—	—
Acquisition of property, plant and equipment	(1,476,316)	(1,887,495)
Disposal of property, plant and equipment	36,897	8,723
Dividends from equity-accounted investees	1,231,465	1,429,442
Increase in restricted certificate of deposit	15,615	21,733
Decrease in refundable deposits	1,545	2,544
Refund from capital reduction of subsidiaries	—	—
Net cash used in investing activities	1,068,763	(1,406,406)
Cash flows from financing activities:		
Increase (decrease) in other payables to related parties	—	—
Increase in short-term borrowings	610,000	400,000
Increase in long-term loans payable	750,000	1,599,000
Repayment of long-term loans payable	(624,587)	(3,467,746)
Payments of cash dividends	(861,714)	(1,044,058)
Stock option for employees	—	—

Proceeds from sales of subsidiaries' equity to non-controlling interest	1,704,569	4,223,828
Treasury stock acquired	—	(169,861)
Net cash flows from financing activities	<u>1,578,268</u>	<u>1,541,163</u>
Net decrease in cash and cash equivalents	1,300,522	(181,163)
Cash and cash equivalents at beginning of year	<u>1,279,123</u>	<u>1,460,560</u>
Cash and cash equivalents at end of year	<u>\$ 2,579,645</u>	<u>1,279,123</u>

Attachment 5

Sino-American Silicon Products Inc.

Appropriation of Loss Statement Year 2016

Unit: NTD

Beginning unappropriated retained earnings		7,979,673
Add: Adjustments to the remeasurements of defined benefit plans		15,491,302
Adjusted beginning unappropriated retained earnings		23,470,975
Net income of 2016		(1,589,224,719)
Accumulated loss as of year end		(1,565,753,744)

Chairman :

President :

Chief Accountant :

Attachment 6

Sino-American Silicon Products Inc.

Rules for Issuance of Restricted Stock Awards

Article 1 Purpose

To retain and attract talents and enhance employees' sense of belonging to the Company so as to foster the best interests of the Company and its shareholders, it is proposed to set up Issuance of Restricted Stock Award in accordance with Article 267 of the Company Act and the Regulations Governing the Offering and Issuance of Securities by Securities Issuers (the "Offering Regulations") issued by Financial Supervisory Commission.

Article 2 Issuance Period

It is allowed to register multiple issuances over a period of 1 year from the date of the resolution of the shareholders' general meeting. Multiple issuances are allowed depending on actual needs within 1 year after the authorities approves. Issue dates shall be determined by the chairman authorized by the board of directors.

Article 3 Qualification requirements for employees

1. Qualification: Regular employees as a manager (and above) of the Company who are already employed over 1 year before the date that the restricted employee shares are awarded and meet certain performance requirements shall be eligible to Restricted Stock Award Plan.
2. The actual awarded amount shall be determined by employee's seniority, position, performance, overall contribution, specific contribution or other managerial factors also taken into account, and submit to the board meeting for approval after reviewed by the chairman. However, for directors who are managerial officers or employees, the award of such shares is subject to approval by the compensation committee.
3. Shares awarded: In compliance with the Item 1 of Article 56-1, accumulated total shares of employee stock option distributed to single subscriber plus the restricted stock award cannot exceed three-thousandths of the total outstanding shares. Issuers, in accordance with the Item 1 of Article 56, shall not issue more than one-hundredth of the total outstanding shares for the distribution of accumulated employee stock option to single subscriber.

Article 4 Total amounts of issuance

The maximum number of shares issued by the Company under this plan is 6,000,000 common shares, each share having a par value of NT\$10, for a total amount of NT\$60,000,000.

Article 5 Determination of the terms and conditions

1. Issue price: NT\$20 per share
2. The rights and obligation of the new share issuance awarded to employees is based on the Article 6 with others which are the same as those of common outstanding shares.
3. Vesting conditions: Employee's continuous employment with the Company through the vesting period and achievement of personal performance criterion of "A" (and above) are required to receive the vesting shares by the portion of:
 - 1 year: 40%
 - 2 years: 70%
 - 3 years: 100%
4. Issue type: Common share of the Company
5. Handling of employee's failure to meet the vesting conditions
 - (1) Resignation, dismissal, layoff:

The Company will redeem the issued restricted employee shares on the effective day of the resignation.
 - (2) Retirement:

All restricted employee shares will be vested to the employee on the retirement day.
 - (3) Handicap, death out of occupational hazard or general death
 - A. Handicap out of occupational hazard: all restricted employee shares will be vested to the employee on the date of resignation.
 - B. Death out of occupational hazard or general death: all restricted employee shares will be vested to the heir of the employee.
 - (4) Leave without pay:
 - A. Employees who go on leave without pay for official business will acquire all restricted employee shares after reporting back to work.
 - B. Restricted employee share of employees who take leave without pay for private reasons will be redeemed by the Company on the effective day of the unpaid leave.
 - (5) Job relocation:
 - A. Employees with continuous employment with the transferred department through the vesting dates will acquire all granted shares. Handling of employee's resignation after the job relocation will be regarding as the same as Resignation.
 - B. Granted shares of those who is not transferred due to business need will be redeemed by the Company on the day of the job relocation.
 - (6) The issued restricted award shares redeemed by the Company shall be cancelled officially.
 - (7) The Company shall buy back the granted shares from the employee with issue price if the employee violates Item 6 of the regulation to terminate or dissolve the proxy authorization of the Company before the vesting conditions are met.

6. Other agreements: The Company shall act as the sole agent for employees to handle disposal, signing, revision, extension, cancellation, termination, and delivery, application and disposal of the trust contract after the restricted award shares are issued and deposited in a security trust account.

Article 6 Restriction on the rights associated with shares that have not yet vested

1. During the vesting period, employee may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of restricted award shares.
2. Restricted Stock Awards have the right to join stock dividend distribution from which the interest will not be restricted by the vesting period. The interest of the stock dividend will be appropriated in one month after the distribution date from security trust account to employee's account.
3. All rights as making a proposal, a statement, a vote and other related matters at the shareholders meeting will be conducted by custody institutions of security trust.
4. The Restricted Stock Awards shall be delivered to the trust account after issuance and it is not allowed by any reason or method to request for returning before the vesting conditions are met.

Article 7 Agreement and Confidentiality

1. Employees shall obey the rules to practice secrecy to others after signing "A Letter of Consent on Restricted Stock Awards."
2. Employees who do not sign the letter of consent in accordance with rules shall be regarded as abandonment.
3. Anyone who acquire the vesting shares and derivative rights through this plan shall follow the rules and A Letter of Consent on Restricted Stock Awards. Disciplinary action against violation will be taken in reference to relative regulation of the Company.

Article 8 Other issues

1. The rules were effective upon the approval of more than 2/3 of the board of directors with more than 1/2 of the directors present and shall be subject to the approval of the competent authority, so is the same for any amendments requested by the authority or actual condition before the issuance of the restricted stock awards.
2. Any other matters not set forth here shall be dealt with in accordance with the applicable laws and the issuance rules set by the Company.

Article 9 The rules were enacted on March 23, 2017.

Attachment 7

Sino-American Silicon Products Inc.

Articles of Incorporation Comparison Chart

Article	Before	After	Remark
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.	The Company may 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.	Revise
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.		Delete
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.		Delete
8	Article 10 All the Company's stockholder-related affairs shall be dealt in accordance with the Company Law or relevant regulations.	Article 8 All the Company's stock-related affairs shall be dealt in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies and other relevant regulations.	Revise and adjust order
11	Article 11 to article 17	Article 9 to Article 15	Adjust order
16	Original Article 18 1. The Company shall have thirteen to fifteen directors to be elected at the shareholders' meeting by adopting the candidate nomination system	Article 16 1. The Company shall have 7 to 13 directors to be elected at the shareholders' meeting by adopting the candidate nomination system specified in	Revise and adjust order

	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	
16-1	<p>Original Article 18-1</p> <p>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.</p>	<p>Article 16-1</p> <p>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.</p> <p><u>The composition of the audit committee, duties, rules and other related affairs shall be conducted in accordance with regulations issued by the securities institutions.</u></p>	Revise and adjust order
17	Article 19 to 20	Article 17 to 18	Adjust order
19	<p>Original Article 21</p> <p>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.</p> <p>Unless otherwise provided for in the Company Law, resolutions in the Board of Directors meeting shall be adopted by a majority vote in</p>	<p>Article 19</p> <p>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.</p> <p>Unless otherwise provided for in the Company Law, resolutions in the Board of Directors meeting shall be adopted by a majority vote in</p>	Revise and adjust order

	<p>the meeting attended by a majority of Directors.</p> <p>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.</p> <p>The audit committee's members, duties, regulations and other mandatory items should be proceeded according to SEC regulations.</p>	<p>the meeting attended by a majority of Directors.</p> <p>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.</p>	
20	Article 22 to 30	Article 20 to 28	Adjust order
31	Article 31	<p>Article 29</p> <p>omit</p> <p>The 30th amendment on June 27th, 2016</p>	Add amendment date

Attachment 8

Sino-American Silicon Products Inc.

Comparison Chart of Acquisition or Disposal of Assets Procedure

Article	Before	After	Remark
5	<p>Public disclosure</p> <p>1. The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, within two days commencing immediately from the date of occurrence of the event, with the relevant data and information:</p> <p>(1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or redemption of the fund of the domestic money market.</p> <p>(2) omit</p> <p>(3) omit</p> <p>(4) Except the above 3 mentioned situations, any transaction or investment in Mainland China amount exceed 20% of paid-in capital or NTD 300,000,000. The following does not apply to the limit:</p> <p>i. Government bond</p> <p>ii. Callable bond and puttable bond, subscription and redemption of the fund of the domestic money market.</p>	<p>Public disclosure</p> <p>1. The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, within two days commencing immediately from the date of occurrence of the event, with the relevant data and information:</p> <p>(1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or buyback of the fund of the domestic money market issued by securities investment trust business unit.</p> <p>(2) omit</p> <p>(3) omit</p> <p>(4) Operational used equipment not exceeding NTD 500,000,000 and not purchased from related party.</p> <p>(5) Property built on own land or rent land, joint construction and allocation of house units, joint construction and allocation of ownership percentages, or joint</p>	Revise

	<p>iii. <u>Operational used equipment not exceeding NTD 500,000,000 and not purchased from related party.</u></p> <p>iv. <u>Property built on own land or rent land, joint construction and allocation of house units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and invested amount is not exceeding NTD 500,000,000.</u></p> <p>2. Omit</p> <p>3. Omit</p> <p>4. Omit</p> <p>5. Where any item required to be placed into a public announcement pursuant to these provisions is incorrect or not placed in the announcement and it is required to be supplemented, the whole announcement shall be remade and placed into a public announcement and reported to the competent authority by the Company.</p> <p>6. Omit</p>	<p><u>construction and separate sale, and invested amount is not exceeding NTD 500,000,000.</u></p> <p>(6) <u>Except the above 5 mentioned situations, any transaction or investment in Mainland China amount exceed 20% of paid- in capital or NTD 300,000,000. The following does not apply to the limit:</u></p> <p>i. <u>Government bond</u></p> <p>ii. <u>Callable bond and puttable bond, subscription and redemption of the fund of the domestic money market.</u></p> <p>2. Omit</p> <p>3. Omit</p> <p>4. Omit</p> <p>5. Where any item required to be placed into a public announcement pursuant to these provisions is incorrect or not placed in the announcement and it is required to be supplemented, the whole announcement shall be remade and placed <u>within 2 days</u> into a public announcement and reported to the competent authority by the Company.</p> <p>6. Omit</p>	
7	The Company shall obtain an appraisal report prior to the date of occurrence of the event for tangible asset or equipments cost 20% of paid- in capital or more than NTD 300,000,000, unless transaction with government <u>agency</u> , structures built on own land, structure build on rent land, or operational purpose machinery or equipment. Also the follow requirements shall also be followed:	The Company shall obtain an appraisal report prior to the date of occurrence of the event for tangible asset or equipments cost 20% of paid- in capital or more than NTD 300,000,000, unless transaction with government <u>institutions</u> , structures built on own land, structure build on rent land, or operational purpose machinery or equipment. Also the follow requirements shall also be followed:	Revise
9	In acquiring or disposing membership certificate or intangible assets by a public company, and the transaction amount exceeding 20% of the Company's paid-in capital or NT\$300,000,000, apart from any transactions with the government	In acquiring or disposing membership certificate or intangible assets by a public company, and the transaction amount exceeding 20% of the Company's paid-in capital or NT\$300,000,000, apart from any transactions with the government	Revise

	authorities , an accountant shall be retained prior to the date of occurrence of the event to express opinions on the reasonableness of the transaction price and the accountant shall handle the matter pursuant to the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	institutions , an accountant shall be retained prior to the date of occurrence of the event to express opinions on the reasonableness of the transaction price and the accountant shall handle the matter pursuant to the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	
12	<ol style="list-style-type: none"> omit 2. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, apart from transactions of bonds, RP and RS bonds, the subscription or redemption of the domestic money market, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the audit committee: <p>Omit</p>	<ol style="list-style-type: none"> omit When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, apart from transactions of bonds, RP and RS bonds, the subscription or buyback of the domestic money market issued by securities investment trust business unit, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the audit committee: <p>Omit</p>	Revise
13	Prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for approval.	Prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for approval. However, mergers of subsidiaries with the Company or with subsidiaries whose outstanding shares or capital is 100% directly or indirectly owned by the Company needs not offer a reasonable opinion from experts.	
26	Omit	The 17th amendment was made on June 27, 2017.	Add amendment date

Attachment 9

Sino-American Silicon Products Inc.

Procedures for Lending Funds to Other parties Comparison Chart

Article	Before	After	Remark
2	<p>The party to whom the Company may lend its funds shall be limited to:</p> <p>1 Companies or firms having business relationship with the Company: <u>business relationship refers to the one of sales or purchasing amount between the party and the Company.</u></p> <p>2 Companies or firms in need of funds for a short-term period; Fund-lending to companies which need funds for a short-term period shall be limited to companies or firms in which the Company holds or be held 50 percent or more of the shares. The aforementioned “short-term period” shall mean the period of one year or business operation, whichever is longer. Loan amount shall mean the aggregate fund-lending balance of the Company for a short-term period.</p>	<p>The party to whom the Company may lend its funds shall be limited to:</p> <p>1 Companies or firms having business relationship with the Company.</p> <p>2 Companies or firms in need of funds for a short-term period; Fund-lending to companies which need funds for a short-term period shall be limited to companies or firms in which the Company holds or be held 50 percent or more of the shares. The aforementioned “short-term period” shall mean the period of one year or business operation, whichever is longer. Loan amount shall mean the aggregate fund-lending balance of the Company for a short-term period.</p>	Revise
3	<p>The total loan amount to others shall <u>not exceed the 40% of the net worth of the Company. It should</u> be varied according to the situations as follows.</p> <p>1 The total amount for lending to a company/firm having business relationship with the Company shall not exceed the 40% of the net worth of the Company. The amount lent to a single recipient may not exceed the amount of the business transacted between the two parties in the most recent year. The transaction amount shall mean the sales or purchasing</p>	<p>The total loan amount to others shall be varied according to the situations as follows.</p> <p>1 The total amount for lending to a company/firm having business relationship with the Company shall not exceed the 40% of the net worth of the Company. The amount lent to a single recipient may not exceed the amount of the business transacted between the two parties in the most recent year. The transaction amount shall mean the sales or purchasing amount between the parties, whichever is higher. <u>For</u></p>	Revise

	<p>amount between the parties, whichever is higher.</p> <p>2 The total amount for lending to a company/firm for funding for a short-term period shall not exceed the forty percent (40%) of the net worth of the Company. The amount lent to a single recipient shall not exceed the ten percent (<u>10%</u>) of the net worth of the Company.</p> <p>The total amount for fund-lending between the subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company will not be subject to the limit of net worth described in item 2, total loan amount to others shall not exceed the <u>40%</u> of the net worth of the Company. The amount lent to a single recipient shall not exceed the twenty percent (<u>20%</u>) of the net worth of the Company.</p>	<p><u>transaction except sales and purchasing, a mutual agreement shall be signed beforehand and the total amount lent shall not exceed the definition of the agreement.</u></p> <p>2 The total amount for lending to a company/firm for funding for a short-term period shall not exceed 40% of the net worth of the Company. The amount lent to a single recipient shall not exceed <u>40%</u> of the net worth of the Company.</p> <p>The total amount for fund-lending between the subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company will not be subject to the limit of net worth described in item 2, total loan amount to others shall not exceed the <u>twice</u> of the net worth of the Company. The amount lent to a single recipient shall not exceed <u>40%</u> of the net worth of the Company.</p>	
4	<p>The term of each loan extended by the Company shall not exceed one year. <u>The interest rate shall be determined on the basis of the Company's funding, but in no event shall it be higher than the Company's highest short-term bank borrowing rate at the time of lending. The interests shall be calculated on a monthly basis.</u></p> <p>The loans of the company and subsidiaries or subsidiaries and subsidiaries shall be submitted to the Board of Directors for approval in accordance with aforesaid Article. Once the loans are approved by the Board, the chairman of the Board is authorized to allocate the fund within a year under approved limits in several installments or revolving allocations.</p> <p>The aforesaid loan amount shall be in accordance with Article 3. The loan amount of the Company or <u>its</u> subsidiaries to any single enterprise</p>	<p>The term of each loan extended by the Company shall not exceed one year <u>from the loan origination date. The interest rate shall be determined on the basis of the Company's funding, but in no event shall it be higher than the Company's highest short-term bank borrowing rate at the time of lending. The interests shall be calculated on a daily basis. Interest payment period and method are based on the mutual agreement.</u></p> <p>The loans of the company and subsidiaries or subsidiaries and subsidiaries shall be submitted to the Board of Directors for approval in accordance with aforesaid Article. Once the loans are approved by the Board, the chairman of the Board is authorized to allocate the fund within a year under approved limits in several installments or revolving allocations.</p> <p>The aforesaid loan amount shall be</p>	Revise

	<p>shall not exceed 10% of the net worth of the latest financial report of the Company or the subsidiaries.</p> <p>With special circumstance and the approval of Board of Directors, the term of loan may be extended depending on its actual situation. Same applied to 100% holding foreign subsidiary of the Company.</p>	<p>in accordance with Article 3. The loan amount of the Company or subsidiaries to any single enterprise shall not exceed 10% of the net worth of the latest financial report of the Company.</p> <p>With special circumstance and the approval of Board of Directors, the term of loan may be extended depending on its actual situation. Same applied to 100% holding foreign subsidiary of the Company.</p>	
5	<p>1 Any borrower, when applying for a loan from the Company, shall submit an application or a letter. The financial department, based on the aforesaid information, shall do an investigation on the necessity and rationality of the loan application, the credibility and risk of the borrower, the impact on the Company's operating risk, financial positions and shareholders' right and interests .When necessary, an appropriate mortgage of real property or personal property shall be created. Duration and interest payment terms shall be determined based on these findings, and then submitted to President/Chairman for approval.</p> <p>2 If the Company has independent Directors, the Board shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes when lending to a company/firm.</p>	<p>1 When applying a loan from the Company, the borrower shall submit to the company/firm and financial information as well as an application form stating the purpose of the funds, duration and amount.</p> <p>2 After the financial department of the Company receives the application from the borrower, items to be reviewed are as follows:</p> <p>(a) Necessity and rationality</p> <p>(b) Reviews of the background investigation and risk estimation of the borrower.</p> <p>(c) Impact to the operational risks, financial status and shareholders' equity of the Company.</p> <p>(d) Necessity of requesting for a guarantee and value estimation review of the guarantee.</p> <p>(e) Comply with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and this Procedures. Restrictions aforesaid shall not be applied to borrowers from its subsidiaries.</p> <p>3 After reviewed by the financial department of the Company that the borrower is in need of the loan and capable of redemption, the financial department shall compile the review data and submit to the board meeting for resolution. The board meeting shall not authorize any third</p>	Revise

		<p><u>person to determine. If the Company has established independent directors, relevant opinions shall be taken into account by the board meeting during discussion and take minutes on all details of con and pro.</u></p> <p>4 <u>Loans between the Company and its subsidiary or the subsidiaries themselves shall comply with the aforesaid procedures to submit to the board meeting for resolution of authorizing the chairman to execute appropriation or revolving the certain amount of the loan within one year to the same borrower. The so-called certain amount shall follow the Procedure and not exceed 10% of the net value in the latest financial performance of the Company.</u></p> <p>5 <u>After the loan is approved, the financial department shall inform the borrower to sign the contract before the expiry date including the amount, duration, interest, securities and guarantees etc. The aforesaid restriction on the securities and guarantees shall not apply for the loan between the overseas companies 100% owned by the Company or with the Company.</u></p> <p>6 <u>After the loan contract is signed, the borrower is able to apply for the appropriation from the Company.</u></p> <p>7 <u>The borrower shall provide a guarantee note or security of equal value if necessary when apply for the appropriation of the loan. The security shall be set in pledge or mortgage with insurance except for lands and securities. The duration of the insurance shall cover the loan duration with the Company noted as the beneficiary.</u></p>	
6	<p>1 omit</p> <p>2 The internal auditing personnel of the Company shall audit the execution of the operation of</p>	<p>1 omit</p> <p>2 The internal auditing personnel of the Company shall audit the execution of the operation of</p>	Revise

	<p>lending of funds of the Company at least every quarter and produce a written auditing report. During the auditing, the internal auditor shall immediately correct violation(s) upon finding any violation. If the violation found is material, the personnel who violate the Procedures shall be penalized in accordance with the related rules of the Company. Meanwhile, the auditor shall immediately report such violation in writing to the Supervisors of the Company.</p> <p>3 If the borrower no longer meets the requirements of the Procedures, or the total outstanding lending amount exceeds the lending limit approved by the Board of Directors due to unforeseeable changes of circumstances, the Company shall produce an improvement plan. In addition, the improvement plan shall be submitted to the Supervisors of the Company for review. The aforesaid improvement plan shall be accomplished according to the planned schedule thereof</p>	<p>lending of funds of the Company at least every quarter and produce a written auditing report. During the auditing, the internal auditor shall immediately correct violation(s) upon finding any violation. If the violation found is material, the personnel who violate the Procedures shall be penalized in accordance with the related rules of the Company. Meanwhile, the auditor shall immediately report such violation in writing to the audit committee of the Company.</p> <p>3 If the borrower no longer meets the requirements of the Procedures, or the total outstanding lending amount exceeds the lending limit approved by the Board of Directors due to unforeseeable changes of circumstances, the Company shall produce an improvement plan. In addition, the improvement plan shall be submitted to the audit committees of the Company for review. The aforesaid improvement plan shall be accomplished according to the planned schedule thereof</p>	
7	<p>1 omit</p> <p>2 omit</p>	<p>1 omit</p> <p>2 omit</p> <p>3 The financial department shall review comply with the GAAP to review the loan and appropriate sufficient allowance for bad debts and disclose related information in the financial report as well as related data for necessary auditing procedure by the certified public accountant.</p>	Revise
8	<p>1 After a loan has been disbursed, the financial, business, and credit condition of the borrower and the guarantor shall be monitored on a regular ongoing basis. If collateral has been provided, it shall be monitored for any changes in the collateral value. In the event of any material change, it shall immediately be reported to the chairman of the board of</p>	<p>1 After a loan has been disbursed by the Company, the financial, business, and credit condition of the borrower and the guarantor shall be monitored by the finance department on a regular ongoing basis. If collateral has been provided, it shall be monitored for any changes in the collateral value. In the event of any material change, it shall</p>	Revise

	<p>directors, and appropriate measures shall be taken in accordance with the chairman's instructions.</p> <p>2 If the borrower repays the loan when or before it becomes due, the interest payable shall first be calculated, and shall be paid together with the principal, before the promissory note may be cancelled and returned to the borrower or the mortgage cancelled.</p> <p>3 omit</p>	<p>immediately be reported to the chairman of the board of directors, and appropriate measures shall be taken in accordance with the chairman's instructions.</p> <p>2 If the borrower repays the loan when or before it becomes due, the interest payable shall first be calculated, and shall be paid together with the principal, before the promissory note <u>and other related documents</u> may be cancelled and returned to the borrower or the mortgage cancelled.</p> <p>3 omit</p>	
9	<p>1 omit</p> <p>2 omit</p> <p>3 The subsidiary's internal auditor personnel shall perform auditing on the Company's lending profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's audit department. The Company's audit department shall submit written report to <u>supervisors</u>.</p> <p>4 The internal audit personnel of the Company shall audit the subsidiaries operational procedures according to understand the implementation status of lending funds to others. Corrections of any defects discovered shall be continuously be tracked and a follow-up report shall be made to submit to Chairman.</p>	<p>1 omit</p> <p>2 omit</p> <p>3 The subsidiary's, <u>if an public company</u>, internal auditor personnel shall perform auditing on the Company's lending profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's audit department. The Company's audit department shall submit written report to <u>audit committee</u>.</p> <p>4 The internal audit personnel of the Company shall audit the operational procedures <u>of the subsidiaries</u> according to the yearly audit plan so as to understand the implementation status of lending funds to others. Corrections of any defects discovered shall be continuously tracked and a follow-up report shall be made to submit to the chairman.</p>	Revise
10	<p>After passage by the Board of Directors, these Procedures shall be sent to all supervisors and submitted to the shareholders meeting for approval. If any director expresses an objection and there is a record or written statement of the objection, the Company shall forward the director's objection to <u>all supervisors</u> <u>and</u> submit it to the shareholders meeting for discussion. The same</p>	<p>After passage by the <u>audit committee and the</u> Board of Directors, these Procedures shall be sent to all supervisors and submitted to the shareholders meeting for approval. If any director expresses an objection and there is a record or written statement of the objection, the Company shall forward the director's objection to <u>all supervisors</u> <u>and</u> submit it to the shareholders</p>	Revise

	procedures shall apply to any amendments to these Procedures.	meeting for discussion. The same procedures shall apply to any amendments to these Procedures.	
11		<u>The 10th amendment was made on June 27, 2017.</u>	Add amendment date

Attachment 10

Sino-American Silicon Products Inc.

Procedures for Endorsement and Guarantee Comparison Chart

Article	Before	After
4	<p>The amount of endorsement/guarantee provided by the Company is subject to the following limits:</p> <ol style="list-style-type: none"> 1 The aggregate amount of endorsement/guarantee provided by the Company is limited to fifty percent (50%) of its net worth. 2 The amount of endorsement/guarantee for one single company provided by the Company is limited to ten percent (10%) of its net worth. However, the amount of endorsement/guarantee for any subsidiaries is limited to forty percent (40%) of its net worth. 3 The limits of the Company and its subsidiaries' endorsement/guarantee to any single enterprise shall not exceed the fifty percent (50%) of the Company's net worth. 4 For endorsement /guarantee deriving from business relations, the amount provided to any single party shall not exceed the total business amount between the party and the Company in the most recent year or over the twelve-month period before the extension of endorsement/guarantee. Business amount refers to the total purchase or sales whichever is higher. 	<p>The amount of endorsement/guarantee provided by the Company is subject to the following limits:</p> <ol style="list-style-type: none"> 1 The aggregate amount of endorsement/guarantee provided by the Company is limited to the single of its net worth. 2 The amount of endorsement/guarantee for one single company provided by the Company is limited to ten percent (10%) of its net worth. However, the amount of endorsement/guarantee for any subsidiaries is limited to the single of its net worth. 3 The limits of the Company and its subsidiaries' endorsement/guarantee to any single enterprise shall not exceed five times of the Company's net worth. 4 For endorsement/guarantee deriving from business relations, the amount provided to any single party shall not exceed the total business amount between the party and the Company. Business amount refers to the total purchase or sales whichever is higher.
7	<ol style="list-style-type: none"> 1 Internal auditors shall perform auditing on the Company's endorsement/guarantee profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the supervisors. 	<ol style="list-style-type: none"> 1 Internal auditors shall perform auditing on the Company's endorsement/guarantee profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the audit committee.
8	<ol style="list-style-type: none"> 1 Omit 2 Omit 3 Omit 4 Omit 5 If, due to changes of circumstances, the party to whom the Company provided endorsement and/or guarantee no longer satisfies the criteria set forth in the Procedures herein, or the amount of 	<ol style="list-style-type: none"> 1 Omit 2 Omit 3 Omit 4 Omit 5 If, due to changes of circumstances, the party to whom the Company provided endorsement and/or guarantee no longer satisfies the criteria set forth in the Procedures herein, or the amount of

	<p>endorsement and/or guarantee exceeded the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be provided to the supervisors and the proposed corrections shall be implemented within the period specified in the plan.</p> <p>6 When the net value of endorsed or guaranteed companies lower than 50% of its paid-in capital, subsequent precautions of control shall be established. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the paid-in capital shall be calculated with the sum of the share capital plus paid-in capital in excess of par shall be substituted</p>	<p>endorsement and/or guarantee exceeded the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be provided to the audit committee and the proposed corrections shall be implemented within the period specified in the plan.</p> <p>6 When the net value of endorsed or guaranteed companies lower than 50% of its paid-in capital, subsequent precautions of control shall be established by the finance department and submit to the board. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the paid-in capital shall be calculated with the sum of the share capital plus paid-in capital in excess of par shall be substituted</p>
11	<p>1 Omit</p> <p>2 Omit</p> <p>3 The subsidiary's internal auditors shall perform auditing on the Company's endorsement/guarantee profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's internal auditors. The Company's internal auditors shall submit written report to supervisors.</p> <p>4 The internal audit personnel of the Company shall audit the subsidiaries operational procedures according to Yearly Auditing plan and understand the implementation status of providing endorsement or guarantees for others. Corrections of any defects discovered shall be continuously be tracked and a follow-up report shall be made to submit to Chairman.</p>	<p>1 Omit</p> <p>2 Omit</p> <p>3 The subsidiary's, a public company, internal auditors shall perform auditing on the Company's endorsement/guarantee profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's internal auditors. The Company's internal auditors shall submit written report to the audit committee.</p> <p>4 The internal audit personnel of the Company shall regularly audit the subsidiaries operational procedures according to Yearly Auditing plan and understand the implementation status of providing endorsement or guarantees for others. Corrections of any defects discovered shall be continuously be tracked and a follow-up report shall be made to submit to Chairman.</p>
12	<p>The Procedures shall be submitted to the Board of Directors of the Company for approval. After approved by the Board of Directors of the Company, the Procedures shall be submitted to the Supervisors of the Company and ratified by the Shareholders Meeting of the Company. Any amendment is subject to the same procedure. Any written objection or statement from Directors of the Board of the Company shall be submitted to the Supervisors of the Company and afterwards submitted to the Shareholders Meeting for discussion. If the Company has independent Director(s), the opinions of objection or endorsement from the</p>	<p>The Procedures shall be submitted to the audit committee and the board of the Company for approval, and then ratified by the Shareholders Meeting of the Company. Any amendment is subject to the same procedure. Any written objection or statement from directors of the Board of the Company shall be submitted to the Shareholders Meeting for discussion. If the Company has independent Director(s), the opinions of objection or endorsement from the independent Director(s) of the Company shall be placed on record in the minutes of the Board of Directors of the Company</p>

	independent Director(s) of the Company shall be placed on record in the minutes of the Board of Directors of the Company	
13		The 9th amendment was made on June 27th, 2017

Attachment 11

Sino-American Silicon Products Inc.

Policies and Procedures for Financial Derivatives Transactions Comparison Chart

Article	Before	After	Remark
1	These Procedures are adopted in accordance with the provisions of 10 December 2002 Letter No. Taiwan-Finance-Securities-I-0910006105 of the Securities and Futures Commission, Ministry of Finance.	The Company shall conduct derivatives transaction according to this policies and procedures. Unaccomplished matters shall be processed in accordance with relative rules and regulations.	Revise
7	Division of authority and duties (1) Finance Department that is in charge of hedging strategy shall establish the hedging limit towards revenue, import/export and the balance position of the Company to ensure proper risk control.	Division of authority and duties (1) Finance Department that is in charge of hedging strategy shall establish the hedging limit towards revenue, import/export, deposit and the balance position of the Company according to this policies and procedures to ensure proper risk control.	Revise
8	Performance assessments (1) Omit (2) The Finance Department shall assess market prices and evaluate hedging performance each week . “Transaction-oriented” position shall be evaluated at least once a week; “Non-transaction-oriented” or “Hedge-oriented” position shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.	Performance assessments (1) Omit (2) The Finance Department shall assess market prices and evaluate hedging performance. “Transaction-oriented” position shall be evaluated at least once a week; “Non-transaction-oriented” or “Hedge-oriented” position shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.	Revise
9	The total contract amount from the derivative trading shall not exceed 50% of actual import/export foreign currency needs , and shall be reported to the latest BOD meeting after transaction. Apart from import/export , any currency hedging should adopt the assets (liability) which are held or anticipated to trade as ceiling. If overseas acquisition adopts acquisition price as ceiling, it can only be executed after BOD approval, and shall be reported to the latest BOD meeting after execution.	The total contract amount from the derivative trading shall not exceed 100% of the total foreign currency from accounts receivable, amount payable plus deposit , and shall be reported to the latest BOD meeting after transaction. Any currency hedging apart from business needs should adopt the assets (liability) which are held or anticipated to trade as ceiling. If overseas acquisition adopts acquisition price as ceiling, and so are loan balance for loan, total balance outstanding for	Revise

		overseas equity or bonds or other financial products, it can only be executed after BOD approval. If no prior report is made to the BOD ahead of time, the chairman shall be authorized to execute after reviewing the situation of the financial market according to the estimation data provided by the finance department and report to the latest BOD meeting after execution.	
14	The balance from the derivative trading shall be settled by the accounting department from the finance department immediately.	The balance from the derivative trading shall be settled by the Finance Department immediately.	Revise
16	2. Risk Management (1) omit (2) omit (3) omit (4) omit (5) omit	2. Risk Management (1) omit (2) omit (3) omit (4) omit (5) omit (6) Risk management of cash flow: the funding sources for the derivatives products are from own funds. Transaction amount is considered based on the operational needs in the next three months.	Add new article
17	An internal auditor shall regularly review the appropriateness of the derivatives transaction internal control system, conduct monthly checks on how well the trading unit is complying with these Procedures, analyze transaction cycles, and include their findings in an audit report. Where a material violation is discovered, they shall notify the supervisors in writing and the Company's persons-in-charge shall be subject to castigation.	An internal auditor shall regularly review the appropriateness of the derivatives transaction internal control system, conduct monthly checks on how well the trading unit is complying with these Procedures, analyze transaction cycles, and include their findings in an audit report. Where a material violation is discovered, they shall notify the audit committee in writing and the Company's persons-in-charge shall be subject to castigation. The managerial person who is in charge of the derivatives transaction shall follow this principles and procedures. If any violation, punishment shall be conducted according to the personnel evaluation committee of the Company.	
18	After these Procedures have been approved by the board of directors, they shall be delivered to each supervisor	After these Procedures have been approved by the audit committee and board of directors, they shall be	

	<p>and submitted to a shareholders meeting for approval; the same applies when the Procedures are amended. If any director expresses dissent and it is on record or in a written statement, the director's dissenting opinion shall be delivered to each supervisor.</p> <p>Where the position of independent director(s) has been created, when these Procedures are submitted for deliberation by the board of directors, each independent director's opinions shall be taken into full consideration; the independent directors' specific opinions of assent or dissent and the reasons therefore shall be included in the minutes of the board of directors meeting.</p>	<p>submitted to a shareholders meeting for approval; the same applies when the Procedures are amended. If any director expresses dissent and it is on record or in a written statement, the director's dissenting opinion shall be delivered to the shareholders meeting.</p> <p>Where the position of independent director(s) has been created, when these Procedures are submitted for deliberation by the board of directors, each independent director's opinions shall be taken into full consideration; the independent directors' specific opinions of assent or dissent and the reasons therefore shall be included in the minutes of the board of directors meeting.</p>	
19		The 4th amendment was made on June 27, 2017.	Add amendment date

Attachment 12

Sino-American Silicon Products Inc.

Director (Independent director) Candidates

Position	Name	Shareholdings	Profile
Director	Ming-kung Lu	11,600,000	<ul style="list-style-type: none"> ◆ Honorary doctorate of Engineering of NCTU ◆ Enterpriser seminar of NCCU MBA Program ◆ President and Director of Lite-On Technology Corp. ◆ President of Vishay Lite-On Power Semiconductor Corp. ◆ Vice president of Silitek Corp. ◆ Chairman and CEO of Actron Technology Crop. ◆ Chairman and director of Formerica Optoelectornic Inc. ◆ Chairman and CEO of Sino-American Silicon Products Inc. ◆ Director of GlobiTech Incorporated ◆ Director of GlobalWafers Japan Co., Ltd. ◆ Representative of legal director of GlobalWafers Co., Ltd. ◆ Representative of legal director of Solartech Energy Corp. ◆ Representative of legal director of SAS Sunrise Inc. ◆ Representative of legal director of of SAS Sunrise Pte. Ltd. ◆ President of Sunrise PV World Co. ◆ President of Sunrise PV1 ◆ President of Cathay Sunrise Corporation ◆ Representative of legal director of GWafers Singapore Pte. Ltd.
Director	Tan-liang Yao	1,800,395	<ul style="list-style-type: none"> ◆ MBA from Tamkang University ◆ AVP of Lite-On Technology Corp. ◆ President of Sino-American Silicon Products Inc. ◆ Vice chairman and Vice CEP of Sino-American Silicon Products Inc. ◆ Chairman of Kunshan Sino Silicon Technology co., Ltd. ◆ Chairman and CEO of Crystalwise Technology ◆ Director of GlobiTech Incorporated ◆ Director of GlobalWafers Japan Co., Ltd ◆ Representative of legal director of Actron Technology Corporation ◆ Director of Song Long Electronics Co., Ltd. ◆ Supervisor of Giga Epitaxy Technology Corp. ◆ Representative of legal director of GlobalWafers Co., Ltd.

			<ul style="list-style-type: none"> ◆ Representative of legal director of Solartech Energy Corp. ◆ Supervisor of Sino-American Materials Corp. ◆ Representative of legal director of SAS Sunrise Pte. Ltd. ◆ Representative of legal director of Sunrise PV World Co. ◆ Director of Sunrise PV1 ◆ Director of Cathay Sunrise Corporation ◆ Representative of legal director of GWafers Singapore Pte. Ltd. ◆ Remuneration committee member of Taiwan Styrene Monomer Corporation ◆ Director of Yuan Hong Technical Materials Ltd. ◆ Director of Shanghai Zhaoye Shenkai Electron Material Limited Company
Director	Hsiu-lan Hsu	1,706,085	<ul style="list-style-type: none"> ◆ M.S. in computer science from University of Illinois ◆ Director and president of Sino-American Silicon Products Inc. ◆ Chairman and CEO of GlobalWafers Co., Ltd. ◆ Chairman and CEO of GlobiTech Incorporated ◆ Chairman of GlobalWafers Japan Co., Ltd. ◆ Vice chairman of Kushan Sino Silicon Co., Ltd. ◆ Chairman of Topsil Semiconductor Materials A/S ◆ Director of SunEdison Semiconductor Ltd. ◆ Chairman of Taisil Electronic materials Corp. ◆ Chairman of MEMC Korea Company ◆ Chairman of MEMC Japan Limited ◆ Director of SunEdison Semiconductor B.V. ◆ Director of GWafers Inc. ◆ Representative of legal director of Sino-American Materials Corp. ◆ Director of Crystalwise Technology ◆ Representative of legal director of SAS Sunrise Inc. ◆ Representative of legal director of SAS Sunrise Pte. Ltd. ◆ Representative of legal director of Sunrise PV World Co. ◆ Supervisor of Sunrise PV1 ◆ Representative of legal director of GWafers Singapore Pte. Ltd. ◆ Supervisor of Cathay Sunrise Corporation
Director	Solartech Energy Corp.	21,860,379	<ul style="list-style-type: none"> ◆ Chairman of Sunshine PV Corp. ◆ Chairman and Supervisor of Sheng-yang Material Company ◆ Chairman and Supervisor of Chao-yang Company ◆ Chairman and Supervisor of Chung-yang Company ◆ Chairman and Supervisor of Huei-yang Company ◆ Director of True Honour Limited. ◆ Director of Sino-American Silicon Products Inc.

Director	CDIB Venture Capital Corp. Representative: Hong-cheng Wei	4,094,562	<ul style="list-style-type: none"> ♦ Master of NCTU institute of business & management ♦ AVP of CDIB Capital Management Corporation ♦ Independent director of Amtran Technology Co., Ltd. ♦ Supervisor of Best Radio ♦ Representative of legal director of Solartech Energy Corp. ♦ Independent director of Superior Plating Technology Co, Ltd ♦ Representative of legal director of Jetvox Acoustic Corporation ♦ Corporate director/Vice chairman of Intumit Inc. ♦ AVP of CAPTEC Partner Management Corp.
Director	Wen-huei Tsai	2,976,191	<ul style="list-style-type: none"> ♦ Accounting department of NCCU ♦ Director of Sino-American Silicon Products Inc. ♦ Director of EASYWELL Biomedicals, Inc. ♦ Director of ENE TECHNOLOGY INC. ♦ Director of Advanced Wireless Semiconductor Company
Director	Mau-yang Company Representative: Rong-kang Sun	3,333,639	<ul style="list-style-type: none"> ♦ Law department of NCCU ♦ Chairman of Yuan-jieh Investment Company ♦ Chairman of Thrutek Applid materials Co., Ltd ♦ President of GlobalTop Technology Inc. ♦ President of Atomcinema Company
Director	Kai-chiang Company	2,000,000	<ul style="list-style-type: none"> ♦ Director of Sino-American Silicon Products Inc. ♦ Director of Actron Technology Corporation
Director	Kun-chang Investment Company	2,202,100	<ul style="list-style-type: none"> ♦ Director of Shin Puu Technology
Director	Mau-hong Investment Company	10,425,000	<ul style="list-style-type: none"> ♦ Director of Xander International Corp.
Independent Director	Ting-Ko Chen	0	<ul style="list-style-type: none"> ♦ Doctor of Business Administration, University of Michigan ♦ Chief consultant of Ruentex Group ♦ President of CP Pokphand Co. Ltd. New York ♦ Vice President of J-M Company ♦ Chairman of Chin-hua-hsin Bank ♦ Professor/Chief/Director of the College of Business & Management of NTU, Dean/Professor of the College of Business & Management of Tamkang University ♦ Dean and Chair Professor of Asia University college of management ♦ Charity Chairman of Chinese Academy of Business Foundation ♦ Honorary Chair Professor of NTNU ♦ Convener of the remuneration committee of Namchow Chemical Industrial Co., Ltd. ♦ Independent director, member of audit committee & remuneration committee of

			Sino-American Silicon Products Inc.
Independent Director	Shing-hsien Lin	0	<ul style="list-style-type: none"> ◆ Master in Business of Tulane University / Bachelor of Electrophysics NCTU ◆ President of Lite-On Technology/Vice Chairman of Lite-On Group ◆ CEO of Lite-On Technology ◆ President of Silitech Technology Co. ◆ General Manager of Instruments Incorporated Taiwan Branch ◆ Independent Director of Rafael Micro ◆ Chairman of C.Y.Lin Cultural Foundation ◆ Independent director/member of audit committee & remuneration committee of Sino-American Silicon Products Inc.
Independent Director	Angela Huang	0	<ul style="list-style-type: none"> ◆ Bachelor in Business of Tulane University ◆ Supervisor and GM of Leotek Electronics ◆ Manager of Texas Instruments Incorporated Taiwan Branch ◆ CFO of Texas Instruments Incorporated Taiwan Branch ◆ VGM of Silitek Corp. ◆ Chief Auditor of Lite-On Group ◆ Senior VGM of Lite-On Technology ◆ CLO of Lite-On Group ◆ Independent director/member of audit committee & remuneration committee of Sino-American Silicon Products Inc. ◆ Vice CEO of Enci Foundation ◆ Olympic Education Board member ◆ Supervisor of Prosperous society enterprise co., Ltd ◆ Independent director of YoungTek Electronics Corp.

Attachment 13

Job Position and Main Business of New Directors at Other Companies

Name	Current Position
Ming-kung Lu	<ol style="list-style-type: none"> Chairman and CEO of Actron Technology Corp. Chairman and director of Formica Optoelectronic Inc. Director of GlobiTech Incorporated Director of GlobalWafers Japan Co., Ltd. Representative of legal director of GlobalWafers Co., Ltd. Representative of legal director of Solartech Energy Corp. Representative of legal director of SAS Sunrise Inc. Representative of legal director of SAS Sunrise Pte. Ltd. President of Sunrise PV World Co. Representative of legal director of GWafers Singapore Pte. Ltd.
Tan-liang Yao	<ol style="list-style-type: none"> Chairman of Kunshan Sino Silicon Technology co., Ltd. Chairman and CEO of Crystalwise Technology Director of GlobiTech Incorporated Director of GlobalWafers Japan Co., Ltd Representative of legal director of Actron Technology Corporation Director of Song Long Electronics Co., Ltd. Supervisor of Giga Epitaxy Technology Corp. Representative of legal director of GlobalWafers Co., Ltd. Representative of legal director of Solartech Energy Corp. Supervisor of Sino-American Materials Corp. Representative of legal director of SAS Sunrise Pte. Ltd. Representative of legal director of Sunrise PV World Co. Representative of legal director of GWafers Singapore Pte. Ltd. Remuneration committee member of Taiwan Styrene Monomer Corporation Director of Yuan Hong Technical Materials Ltd. Director of Shanghai Zhaoye Shenkai Electron Material Limited Company
Hsiu-lan Hsu	<ol style="list-style-type: none"> Chairman and CEO of GlobalWafers Co., Ltd. Chairman and CEO of GlobiTech Incorporated Chairman of GlobalWafers Japan Co., Ltd. Vice chairman of Kushan Sino Silicon Co., Ltd. Chairman of Topsil Semiconductor Materials A/S Director of SunEdison Semiconductor Ltd. Chairman of Taisil Electronic materials Corp.

	8. Chairman of MEMC Korea Company 9. Chairman of MEMC Japan Limited 10. Director of SunEdison Semiconductor B.V. 11. Director of GWafers Inc. 12. Representative of legal director of Sino-American Materials Corp. 13. Director of Crystalwise Technology 14. Representative of legal director of SAS Sunrise Inc. 15. Representative of legal director of SAS Sunrise Pte. Ltd. 16. Representative of legal director of Sunrise PV World Co. 17. Supervisor of Sunrise PV1 18. Representative of legal director of GWafers Singapore Pte. Ltd. 19. Supervisor of Cathay Sunrise Corporation
Solartech Energy Corp.	1. Chairman of Sunshine PV Corp. 2. Chairman and Supervisor of Sheng-yang Material Company 3. Chairman and Supervisor of Chao-yang Company 4. Chairman and Supervisor of Chung-yang Company 5. Chairman and Supervisor of Huei-yang Company 6. Director of True Honour Limited.
CDIB Venture Capital Corp.	1. Director of Anpec Electronics Corporation 2. Director of Lextar Electronics Corporation 3. Director of ACES Electronics Co., Ltd. 4. Director of Microblock Inc. 5. Director of Solartech Energy Corp.
CDIB Venture Capital Corp. Representative: Hong-cheng Wei	1. AVP of CDIB Capital Management Corporation 2. Independent director of Amtran Technology Co., Ltd. 3. Supervisor of Best Radio
Wen-huei Tsai	1. Director of ENE TECHNOLOGY INC. 2. Director of Advanced Wireless Semiconductor Company
Mau-yang Company	1. TECO Electric & Machinery Co. Ltd.
Mau-yang Company Representative: Rong-kang Sun	1. Chairman of Yuan-jieh Investment Company 2. Chairman of Thrutek Applid materials Co., Ltd 3. President of GlobalTop Technology Inc. 4. President of Atomcinema Company
Kai-chiang Company	1. Director of Actron Technology Corporation
Kun-chang Investment Company	1. Director of Shin Puu Technology
Mau-hong Investment Company	1. Director of Xander International Corp.
Ting-Ko Chen	1. Charity Chairman of Chinese Academy of Business Foundation 2. Distinguished Chair Professor of PCCU 3. Convener of the remuneration committee of Namchow Chemical Industrial Co., Ltd.

Shing-hsien Lin	<ol style="list-style-type: none"> 1. Independent Director of Rafael Micro 2. Chairman of C.Y.Lin Cultural Foundation
Angela Huang	<ol style="list-style-type: none"> 1. Vice CEO of Enci Foundation 2. Taiwan Olympic Education Board member 3. Independent director of YoungTek Electronics Corp. 4. Supervisor of Prosperous society enterprise co., Ltd

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.

Acquisition or Disposal of Assets Procedure

Article 1

These Procedures for acquisition or disposal of assets ("Procedures") is made pursuant to Article 36-1 of the Securities and Exchange Act ("the Act") and the Financial Supervisory Commission (hereinafter referred to as "FSC") per the Regulations Governing the Acquisition or Disposal of Assets by Public Companies

Article 2

Asset referred in this policy includes:

1. Stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Tangible (including land, housing and construction, investment real estate, usage rights of the land, stock and equipment of the construction) and equipment.
3. Memberships
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Claims of financial institutions (e.g. receivables, bills purchased and discounted, loans, and past due receivables)
6. Derivatives
7. Asset acquired or disposed through merger, acquisition, spin-off, and share transfer
8. Other major assets

Article 3

Operating procedures

1. Before any asset acquisition or disposal, responsible unit shall take into account the reasons, affecting objects, transaction parties, transfer price, terms of transaction, and references of price.
2. The Company's acquisition or disposal of assets shall be made in accordance with the Procedure.
3. Amount limits for investment in non-operational purpose fixed assets and securities are as below:
 - (1) The total amount of any real property purchased by the Corporation not for use in business operations may not exceed 15% of the Corporation's net worth; the total amount of any real property purchased by a subsidiary of the Corporation not for use in business operations may not exceed 5% of the Corporation's net worth.
 - (2) The total amount of investment by the Corporation in all long/short term securities may not exceed 50% of its net worth; the total amount of investment in all long/short term securities

by a subsidiary of the Corporation may not exceed 30% of the Corporation's net worth.

- (3) The amount of the Corporation's investment in any single security may not exceed 30% of its net worth; the amount of investment by a subsidiary of the Corporation in any single security may not exceed 20% of the Corporation's net worth.
- (4) The reinvestment of the Company, in accordance with the Articles of Incorporation, is not limited by the rule of article 13 of the Company Act that the reinvestment shall not exceed 40% of the paid-in capital.

The dissenting or qualified opinions from the Independent Director(s) of the Company on the matters submitted to the Board of Directors for discussion in accordance with the previous paragraph of this Article shall be placed on record in the meeting minutes of the Board of Directors meeting.

If the Company has established the audit committee, the transaction of major assets or derivatives shall be approved with the consent of one-half or more than one-half of all members of such audit committee and then be submitted to the Board of Directors for approval.

If the aforesaid transaction of major assets or derivatives has not been approved by such audit committee with the consent of one-half or more than one-half of all members of the audit committee, it may be undertaken upon the consent of at least two-thirds of all members of the Board of Directors, but the resolution adopted by the audit committee shall be recorded in the meeting minutes of the Board of Directors meeting.

The Audit Committee members and the board of directors members in preceding paragraph will only calculate the members in present position.

Article 4

Appraisal rules

1. The Company should proceed Acquisition or Disposal of Assets according to Article 8 of the procedure.
 - (1) Acquisition or disposal of long-term securities and fixed assets whose value under 100 million shall be approved by Chairman.
 - (2) Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under 100 million shall be approved by President.
 - (3) The acquisition or disposal of equipment of which amount is under NT\$100,000,000 shall be approved by the chairperson beforehand.
2. Acquisition or Disposal of Assets shall proceed according to Article 8 of the procedure.

Article 5

Public disclosure

2. The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, within two days commencing immediately from the date of occurrence of the event, with the relevant data and information:
 - (5) Acquisition or disposal of real property from or to a related party, or acquisition or disposal

of assets other than real property from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or redemption of the fund of the domestic money market.

(6) Merger, acquisition, spin-off and share transfer

(7) The transaction losses derived from derivatives reaches the upper limit set forth in the Financial Derivatives Transaction Procedure for all or any individual contract.

(8) Except the above 3 mentioned situations, any transaction or investment in Mainland China amount exceed 20% of paid- in capital or NTD 300,000,000. The following does not apply to the limit:

v. Government bond

vi. Callable bond and puttable bond, subscription and redemption of the fund of the domestic money market.

vii. Operational used equipment not exceeding NTD 500,000,000 and not purchased from related party.

viii. Property built on own land or rent land, joint construction and allocation of house units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and invested amount is not exceeding NTD 500,000,000..

3. Calculation criteria

(1) Per transaction amount

(2) Cumulated amount with the same party or similar objects within one year.

(3) Cumulated amount of fixed asset for the same project within one year. (acquisition and disposition each)

(4) Cumulated amount of the same security within one year. (cumulative acquisition and disposition, respectively).

4. One year period in sub-section 2 is dating back from the date of concerned transactions, the announced period is except from counting in again.

5. The Company shall monthly enter into the transaction situations of the derivative products engaged by it and its subsidiaries not categorized as domestic public companies up to the end of the previous month in accordance to the stipulated form to the FSC's designated website for filing information before the 10th of each month.

6. Where any item required to be placed into a public announcement pursuant to these provisions is incorrect or not placed in the announcement and it is required to be supplemented, the whole announcement shall be remade and placed into a public announcement and reported to the competent authority by the Company.

7. Unless otherwise provided by other laws, the Company's acquisition or disposition of assets shall keep in reserve the relevant contracts, meeting minutes, registry, appraisal report, and the opinion books by accountant, attorneys or security underwriters for at least 5 years.

Article 6 : Procedures of Announcement and Filing

After announcing and filing the transaction in accordance to the provisions, provided that one of the following conditions exist, the Company shall announce and file the relevant data and information to the FSC's designated website within two days commencing immediately from the date of occurrence of the event:

- (1) The executed relevant contracts of the original transaction have been changed, terminated or ceased.
- (2) Mergers, splits, acquisition or shares transference have not been completed in accordance to the anticipated timeframe set in the contracts.
- (3) Change to the originally publicly announced and reported information.

Article 7

The Company shall obtain an appraisal report prior to the date of occurrence of the event for tangible asset or equipments cost 20% of paid- in capital or more than NTD 300,000,000, unless transaction with government agency, structures built on own land, structure build on rent land, or operational purpose machinery or equipment. Also the follow requirements shall also be followed:

1. In the case that the price is decided from limited price, specified price or special price, the transaction shall be submitted for approval by the board of directors. Any changes in transaction terms and conditions, the same procedure should be followed.
2. Obtain more than 2 professional appraisals if the transaction amount is more than NTD 1,000,000,000.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (hereinafter, ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) Variation of the appraisal result and the transaction amount is more than 20%
 - (2) Variation of the 2 appraisal result is 10% or more than the transaction amount.
4. Professional appraiser, no more than three months may pass between the date of the appraisal report and the contract execution date. Where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 8

Before investing or selling any securities, current audited financial statements of the target securities should be obtained and analyzed to evaluate the transaction price prior to the date of occurrence of the event. Transaction amount exceeding 20% of the paid-in capital or NTD 300,000,000 should have accountant's analysis prior to the date of occurrence of the event. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. Securities trades in active market or price by Financial Supervisory Commission do not required the procedure above.

Article 9

In acquiring or disposing membership certificate or intangible assets by a public company, and the transaction amount exceeding 20% of the Company's paid-in capital or NT\$300,000,000, apart from any transactions with the government authorities, an accountant shall be retained prior to the date of occurrence of the event to express opinions on the reasonableness of the transaction price and the accountant shall handle the matter pursuant to the provisions of Statement of Auditing

Standards No. 20 published by the ARDF.

The calculation of the transaction amounts referred to in the preceding two articles and this article shall be done in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 10

When acquisition or disposal of assets through courthouse auction, evidentiary documentation issued by the court maybe substitute for the appraisal report or CPA opinion.

Article 11

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

Article 12 : Purchase of Real Estate from Related Parties

3. The Company acquires or dispose asset from related parties, the transaction shall be made in accordance with relevant resolution and evaluate the reasonableness of the transaction terms, if the transaction amount reaches 10% or more of the Company's total assets, the Company should also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedure.

The calculation of the transaction amount referred to in the preceding paragraph should be made in accordance with Article 9 herein.

When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

4. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, apart from transactions of bonds, RP and RS bonds, the subscription or redemption of the domestic money market, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the audit committee:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) Reasons of determination of the related persons as the transaction party
- (3) With respect to the acquisition of real property from a related party, relevant information for evaluating the reasonableness of the anticipated transaction conditions pursuant to the related provisions
- (4) Items such as the date and price originally acquired by the related party, transaction counterparty and its relations between the Company and the related party
- (5) The forecasting chart for cash received in each month for one year in the future from the anticipated month of contract execution, with the evaluation on the necessity of the transaction and the reasonableness of the fund usage
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance

with the preceding article.

(7) Conditions and other important agreed items of the transaction

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.

With respect to the acquisition or disposal of business-use equipment between a the Company and its parent or subsidiaries, the company's board of directors may delegate the chairman to decide such matters when the transaction is within NT\$100,000,000 and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

5. When the Company acquires fixed assets from related parties, the reasonableness of transaction cost should be evaluated in accordance with the following methods: Where the land and the buildings on the property are combined for the purchase, the cost of the transaction may be reached by respectively evaluating such land and building based on either method described above, and should also engage a CPA to check the appraisal and render a specific opinion.
 - (1) Based upon the related party's transaction price plus necessary interest on funding and the cost to be borne by the buyer according to law. The "necessary interest on funding" is imputed as the weighted average interest rate of the fund borrowed by the Company in the year of purchase of the asset.
 - (2) Total loan value appraised by a financial institution if such object has been mortgaged to the financial institution for a loan; provided that the actual cumulative amount loaned by the financial institution for the object shall reach 70% or more of the appraised total value and the loan period is more than one year. However, this shall not apply if the financial institution and either party of the transaction are related persons.
6. Where the Company acquires real property from related parties and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 2 and the preceding three paragraphs do not apply:
 - (1) The related party acquired the real estate due to succession or gift.
 - (2) The lapse between the date of acquisition of real estate and the date of the transaction has been more than five years.
 - (3) The acquisition of real estate is based on the cooperative construction contract with the related parties or own-land construction via agency by agreement, construction on rental land via agency by agreement etc.
7. If the outcome evaluation according to the paragraph (1), (2) of section 3 of this article is lower than the transaction price, the section 6 of Article 12 shall apply with the exception of the following circumstances which are accompanied with objective evidence and concrete opinions of the appraiser and public accountant.
 - (1) The related party who acquires bare land or rent a land for reconstruction may provide evidence to prove the conformity of one of the followings.
 - a. The total amount of the bare land assessed according to the method of the preceding article and the house assessed by adding reasonable profit to the construction cost exceeds the actual transaction price.

- b. The transaction terms is fair and reasonable comparing to other transactions of other floors of the same object or in the neighborhood conducted by non related parties within one year taking into account the reasonable price difference in the light of real estate sale transaction customs.
 - c. The transaction terms is fair and reasonable comparing to other transactions of other floors of the same object conducted by non related parties within one year taking into account the reasonable price difference in the light of real estate transaction rent customs.
- (2) The Company provides evidence to prove that the real estate acquired from related parties has the transaction terms which are fair and reasonable comparing to other transactions in the neighborhood.
 - (3) The transaction in the neighborhood in the preceding paragraph shall mean the transaction of the real estate on the same or nearby street with a distance of less than 500 meters from the estate in question. The term “similar size” means that in the case of transaction of non-related party, the size is not less than 50% of the estate in question. The “within one year” means dating back for one year from the date of acquiring this real estate.
8. If the outcome of evaluation of the real estate acquired from the related parties is lower than the transaction price, the following measures shall be taken.
- (1) The special reserve shall be appropriated pursuant to the related laws for the price difference between the transaction price and the assessment and shall not be distributed or used for capital increase.
 - (2) Supervisors shall handle the matter pursuant to Article 218 of Company Act.
 - (3) The measures taken according to section 1 and section 2 shall be reported to the meeting of shareholders and the detailed content of the transaction shall be disclosed in the annual report and prospectus.

The special reserve appropriated shall be used only when the loss of price fall of the assets bought at high price has been acknowledged, the assets disposed, original state restored, or there exist any other evidence to ensure the reasonableness and when the FSC has approved it.

If there exists evidence showing that the transaction of the Company to acquire real estate from related parties is not conformity with the business practice, the preceding two sections shall govern.

Article 13

Prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for approval.

Article 14

The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, spin-off, or acquisition prior to the shareholders meeting and include it along with the expert opinion when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, spin-off, or acquisition.

If a provision of another act exempts a company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply.

Where the shareholders meeting fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies shall immediately publicly explain the reason, the follow-up operations, and the preliminary date of the next shareholders meeting.

Article 15

The Company shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, spin-off, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The contract for participation by the Company in a merger, spin-off, acquisition, or transfer of shares shall record the rights and obligations of the companies participating in the merger, spin-off, acquisition, or transfer of shares.

The Company shall prepare the following information in written record and retain it for 5 years for check.

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, split, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, spin-off, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

The Company shall, within two days commencing immediately from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

If the opposite party of the transaction of merger, spin-off, acquisition or shares transfer in which the Company participates is not a listed company or an over-the-counter-listed company, the Company shall enter into an agreement with such party and shall comply with the preceding paragraph 3, 4 of this Article.

Article 16

Every person participating in or privy to the plan for merger, spin-off, acquisition, or transfer of shares shall sign confidentiality agreement and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other security of any Company related to the plan for merger, spin-off, acquisition, or transfer of shares.

Article 17

The Company participating in a merger, spin-off, acquisition, or transfer of shares may not

arbitrarily alter the share exchange ratio or acquisition price unless the following circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, spin-off, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, which affects the Company's financial operations.
3. An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, spin-off, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 18

The contract for participation in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 19

After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 20

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company should sign an agreement with the non-public

company whereby the latter is required to abide by the provisions of Article 15, Article 16, and Article 19.

Article 21

Acquisition or disposal of assets by the Company's subsidiary shall obey as follows:

1. The Company's subsidiary shall adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Procedures.
2. If the acquisition or disposal of assets by the Company's subsidiary, which is not a domestic public company, reaches the reporting criteria specified in Article 5 of the Procedures, the Company shall make the reporting and public announcements on behalf of its subsidiary.
3. "Reaching 20% of paid-in capital or 10% of total assets" specified in the regulatory of subsidiary reporting and public announcements criteria shall be the paid-in capital or total assets of the parent Company.
4. The term "subsidiary" as used in these procedures, means following companies directly or indirectly controlled by the Company throughout the country or overseas:
 - (1) the invested Company in which the Company directly holds more than 50% issued voting shares
 - (2) each invested Company in which the Company through its subsidiaries indirectly holds more than 50% issued voting shares and the rest shall apply the same.
 - (3) each invested Company in which the Company directly and through its subsidiaries indirectly holds more than 50% issued voting shares and the rest shall apply the same.

Article 22

The Company should comply with Derivative Instruments Transactions Procedure when engaging in derivatives trading.

Article 23 : Financial report disclosure

The Company shall disclose the information of transaction of assets in financial statement and announce in shareholder's meeting if the acquisition or disposal transaction meets the disclosure requirements set forth in Article 5 and also the transaction is with related parties.

Article 24

Matters not provided herein shall be governed by the relevant laws and regulations and the relevant regulations of the Company.

Article 25

After the Procedures are approved by the Board of Directors, the Procedures shall be submitted to the audit committee, and ratified by the Shareholders Meeting. Any amendment is subject to the same procedure. Any written objection or statement from Directors of the Board shall be submitted to the audit committee.

The opinions of each independent director shall be given adequate consideration, and their consenting or dissenting opinions and the reasons for them shall be entered into the minutes of the board of directors meeting.

The establishment or a revision of this Procedures shall be approved with the consent of one-half or

more than one-half of all members of such audit committee and then be submitted to the Board of Directors for approval.

If the aforesaid establishment or revision of this Procedures has not been approved by such audit committee with the consent of one-half or more than one-half of all members of the audit committee, the establishment or revision of this Procedures may be undertaken upon the consent of at least two-thirds of all members of the Board of Directors, but the resolution adopted by the audit committee shall be recorded in the meeting minutes of the Board of Directors meeting.

The Audit Committee members and the board of directors' members in preceding paragraph will only calculate the members in present position.

In accordance with the Securities and Exchange Act, the provisions of Article 14-4, paragraph 3, in regard to supervisors shall apply mutatis mutandis to audit committee members.

In accordance with the Securities and Exchange Act, the provisions of Article 14-4, paragraph 4, shall apply mutatis mutandis to independent directors serving as audit committee members.

Article 26 : The Procedures were enacted on May 29, 1990

The 1st amendment was made on April 26, 1996

The 2nd amendment was made on November 24, 1998

The 3rd amendment was made on March 19, 1999

The 4th amendment was made on December 22, 1999

The 5th amendment was made on January 28, 2000

The 6th amendment was made on August 18, 2000

The 7th amendment was made on October 13, 2000

The 8th amendment was made on March 25, 2002

The 9th amendment was made on September 10, 2002

The 10th amendment was made on June 13, 2003

The 11th amendment was made on June 8, 2006

The 12th amendment was made on June 21, 2007

The 13th amendment was made on June 17, 2011

The 14th amendment was made on June 27, 2012

The 15th amendment was made on June 26, 2014.

The 16th amendment was made on June 25, 2015.

Appendix 4

Sino-American Silicon Products Inc.

Procedures for Lending Funds to Other parties

Article 1

The Company shall follow the Procedures set forth below for lending funds to other parties. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

Article 2

The party to whom the Company may lend its funds shall be limited to:

- 1 Companies or firms having business relationship with the Company ; business relationship refers to the one of sales or purchasing amount between the party and the Company.
- 2 Companies or firms in need of funds for a short-term period; Fund-lending to companies which need funds for a short-term period shall be limited to companies or firms in which the Company holds or be held 50 percent or more of the shares. The aforementioned “short-term period” shall mean the period of one year or business operation, whichever is longer. Loan amount shall mean the aggregate fund-lending balance of the Company for a short-term period.

Article 3

The total loan amount to others shall not exceed the 40% of the net worth of the Company. It should be varied according to the situations as follows.

- 1 The total amount for lending to a company/firm having business relationship with the Company shall not exceed the 40% of the net worth of the Company. The amount lent to a single recipient may not exceed the amount of the business transacted between the two parties in the most recent year. The transaction amount shall mean the sales or purchasing amount between the parties, whichever is higher.
- 2 The total amount for lending to a company/firm for funding for a short-term period shall not exceed the forty percent (40%) of the net worth of the Company. The amount lent to a single recipient shall not exceed the ten percent (10%) of the net worth of the Company.

The total amount for fund-lending between the subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company will not be subject to the limit of net worth described in item 2, total loan amount to others shall not exceed the 40% of the net worth of the Company. The amount lent to a single recipient shall not exceed the twenty percent (20%) of the net worth of the Company.

Article 4

The term of each loan extended by the Company shall not exceed one year. The interest rate shall be

determined on the basis of the Company's funding , but in no event shall it be higher than the Company's highest short-term bank borrowing rate at the time of lending. The interests shall be calculated on a monthly basis.

The loans of the company and subsidiaries or subsidiaries and subsidiaries shall be submitted to the Board of Directors for approval in accordance with aforesaid Article. Once the loans are approved by the Board, the chairman of the Board is authorized to allocate the fund within a year under approved limits in several installments or revolving allocations.

The aforesaid loan amount shall be in accordance with Article 3. The loan amount of the Company or its subsidiaries' to any single enterprise shall not exceed 10% of the net worth of the latest financial report of the Company or the subsidiaries.

With special circumstance and the approval of Board of Directors, the term of loan may be extended depending on its actual situation. Same applied to 100% holding foreign subsidiary of the Company.

Article 5

- 1 Any borrower, when applying for a loan from the Company, shall submit an application or a letter. The financial department, based on the aforesaid information, shall do an investigation on the necessity and rationality of the loan application, the credibility and risk of the borrower, the impact on the Company's operating risk, financial positions and shareholders' right and interests .When necessary, an appropriate mortgage of real property or personal property shall be created. Duration and interest payment terms shall be determined based on these findings, and then submitted to President/Chairman for approval.
- 2 If the Company has independent Directors, the Board shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes when lending to a company/firm.

Article 6

- 1 The Company shall establish and maintain a reference book to record all its fund-lending information, including the identify of the borrower, amount, the date on which the lending was approved by the Board of Directors, dates to advance the amount of the loan and related information regarding the assessment in accordance with the relevant regulations of the Procedures.
- 2 The internal auditing personnel of the Company shall audit the execution of the operation of lending of funds of the Company at least every quarter and produce a written auditing report. During the auditing, the internal auditor shall immediately correct violation(s) upon finding any violation. If the violation found is material, the personnel who violate the Procedures shall be penalized in accordance with the related rules of the Company. Meanwhile, the auditor shall immediately report such violation in writing to the Supervisors of the Company.
- 3 If the borrower no longer meets the requirements of the Procedures, or the total outstanding lending amount exceeds the lending limit approved by the Board of Directors due to

unforeseeable changes of circumstances, the Company shall produce an improvement plan .In addition, the improvement plan shall be submitted to the Supervisors of the Company for review. The aforesaid improvement plan shall be accomplished according to the planned schedule thereof.

Article 7

- 1 The Company shall announce and report the previous month's balance of loans of funds made by itself and its subsidiaries by the 10th day of each month.
- 2 If the Company's loans of funds reach one of the following levels, the Company shall announce and report such fact within 2 days commencing immediately from the date of occurrence of the event.
 - (1) The balance of loans of funds by the Company and the Company's subsidiaries to others reaches 20 percent or more of the Corporation's net worth as stated in its latest financial statement.
 - (2) The balance of loans of funds by the Company and the Company's subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.
 - (3) The amount of new loans of funds by the Company or any of the Company's subsidiaries reaches NT\$10 million or more and also reaches 2 percent or more of the Company's net worth as stated in its latest financial statement.

The Company shall announce and report on behalf of any of its subsidiaries that is not a domestic public company any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

Article 8

- 1 After a loan has been disbursed, the financial, business, and credit condition of the borrower and the guarantor shall be monitored on a regular ongoing basis. If collateral has been provided, it shall be monitored for any changes in the collateral value. In the event of any material change, it shall immediately be reported to the chairman of the board of directors, and appropriate measures shall be taken in accordance with the chairman's instructions.
- 2 If the borrower repays the loan when or before it becomes due, the interest payable shall first be calculated, and shall be paid together with the principal, before the promissory note may be cancelled and returned to the borrower or the mortgage cancelled.
- 3 When a loan becomes due, the borrower shall promptly repay the principal and interest in full. If the borrower is unable to make repayment on the due date and deferral is required, the application for deferral shall be made in advance, and submitted to the board of directors for approval before implementation. For any given repayment, deferral shall not exceed three months, and only one deferral may be given. In the event of breach, the Corporation may duly dispose of, or pursue recovery from, the borrower's collateral or guarantor.

Article 9

- 1 If a subsidiary of the Company intends to lend funds to others, the Company shall require its subsidiaries to establish relevant procedures for lending funds in accordance with the Procedures and to comply with such procedures; Net worth shall be calculated based on the

subsidiary's net worth.

- 2 The subsidiaries shall compile and submit the schedule which includes the details of lending funds made in the previous month to the Company for review by the tenth day of the current month.
- 3 The subsidiary's internal auditor personnel shall perform auditing on the Company's lending profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's audit department. The Company's audit department shall submit written report to supervisors.
- 4 The internal audit personnel of the Company shall audit the subsidiaries operational procedures according to understand the implementation status of lending funds to others. Corrections of any defects discovered shall be continuously be tracked and a follow-up report shall be made to submit to Chairman.

Article 10

After passage by the Board of Directors, these Procedures shall be sent to all supervisors and submitted to the shareholders meeting for approval. If any director expresses an objection and there is a record or written statement of the objection, the Company shall forward the director's objection to all supervisors and submit it to the shareholders meeting for discussion. The same procedures shall apply to any amendments to these Procedures.

If the Company has appointed an independent director(s), the opinions of each independent director shall be given full consideration when the matter is submitted for discussion by the board of directors, and each independent director's explicit assenting or dissenting opinion and reasons for dissent shall be recorded in the board of directors meeting minutes.

Article 11

The Procedure was enacted on May 29, 1990

The 1st amendment was made on March 19, 1999

The 2nd amendment was made on December 22, 1999

The 3rd amendment was made on March 25, 2002

The 4th amendment was made on June 13, 2003

The 5th amendment was made on June 19, 2008

The 6th amendment was made on June 3, 2009

The 7th amendment was made on June 15, 2010

The 8th amendment was made on June 27 , 2012

The 9th amendment was made on June 25, 2013

Appendix 5

Sino-American Silicon Products Inc.

Procedures for Endorsement and Guarantee

Article 1

The Procedures set forth below are the guidelines for the Company to provide endorsement and/or guarantee to outside parties. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

Article 2

The party to whom the Company may provide endorsement and/or guarantee include the following:

- 1 Any company who has business association with the Company.
- 2 Any subsidiary whose voting shares are fifty percent (50%) or more owned directly and indirectly by the Company
- 3 Any parent company who directly and indirectly owns fifty percent (50%) or more of the Company's voting shares.

Subsidiaries whose voting shares are more than 90% owned, directly or indirectly, by the Company may provide endorsement and/or guarantee to each other. The amount shall not exceed 10% of the net worth of the Company. The limits to the companies in which the Company holds 100% of the voting shares directly or indirectly do not follow the same rule.

The restriction stated in the prior two paragraphs does not include the endorsement and guarantee rendered by all shareholders based on the co-investment relationship in a pro rata basis of their shareholding.

The shareholding mentioned above means the Company makes direct shareholding or through a company in which it holds 100% of its total outstanding common shares.

Article 3

The words "endorsement and/or guarantee" used herein are defined as:

- 1 Financing endorsement and/or guarantee, including:
 - (1) Endorsement/guarantee to customers' notes for cash financing with a discount;
 - (2) Endorsement/guarantee for another company for its financing needs;
 - (3) Endorsement/guarantee to the notes issued by the Company to non-financial institutions and entities for the Company's own financing needs.
- 2 Endorsement/guarantee of customs duties due from the Company.
- 3 Other endorsements/guarantees which are not included under paragraphs 1 and 2.
- 4 The lien or mortgage provided by the Company against its assets and properties for

guaranteeing another company's loan should also follow the policies and procedures set forth herein.

Article 4

The amount of endorsement/guarantee provided by the Company is subject to the following limits:

- 5 The aggregate amount of endorsement/guarantee provided by the Company is limited to fifty percent (50%) of its net worth.
- 6 The amount of endorsement/guarantee for one single company provided by the Company is limited to ten percent (10%) of its net worth. However, the amount of endorsement/guarantee for any subsidiaries is limited to forty percent (40%) of its net worth.
- 7 The limits of the Company and its subsidiaries' endorsement/guarantee to any single enterprise shall not exceed the fifty percent (50%) of the Company's net worth.
- 8 For endorsement /guarantee deriving from business relations, the amount provided to any single party shall not exceed the total business amount between the party and the Company in the most recent year or over the twelve-month period before the extension of endorsement/guarantee.

Business amount refers to the total purchase or sales whichever is higher.

Article 5

- 1 The Company shall make an announcement on the balance of endorsement and/or guarantee in MOPS before the 10th of each month.
- 2 In the event that the balance of endorsement and/or guarantee meets one of the following standards, the Company shall make an announcement in MOPS within 2 days commencing immediately from the date of occurrence of the event.
 - (1) The aggregate balance of the Company and its subsidiaries' endorsements/guarantees reaches 50 percent or more of Company's net worth as stated in its latest financial statement.
 - (2) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches twenty percent (20%) or more of Company's net worth as stated in its latest financial statement.
 - (3) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, long-term orientated investment in, and balance of loans to, such enterprise reaches thirty percent (30%) or more of Company's net worth as stated in its latest financial statement.
 - (4) The balance of the Company and its subsidiaries' new endorsements/guarantees reaches NT\$30 millions or more and the aggregate amount of all endorsements/guarantees reaches five percent (5%) or more of Company's net worth as stated in its latest financial statement.
- 3 The Company shall announce and report on behalf of any subsidiary thereof that is not a public

company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the fourth subparagraph of the preceding paragraph.

- 4 The Company shall evaluate or recognize the contingent loss for endorsement and/or guarantee, and shall adequately disclose information of endorsement/guarantees in its financial reports or provide its certified public accountants with relevant information for implementation of necessary auditing procedure.

Article 6

Any endorsement/guarantee provided by the Company shall be approved beforehand by the Board of Directors. A pre-determined limit of US\$1 million delegated to the Chairman by the Board of Directors to facilitate execution.

If the Company has independent Directors, the Board shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes when providing endorsement and/or guarantee to outside parties.

Before each of the companies, in which the Company holds more than 90% voting shares directly or indirectly, may make endorsements and/or guarantees for each other in accordance of Article 2, the proposal shall be submitted to the Board of Directors for approval. The limits to the companies in which the Company holds 100% of the voting shares directly or indirectly do not follow the same rule.

Article 7

- 1 Internal auditors shall perform auditing on the Company's endorsement/guarantee profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the supervisors.
- 2 Any endorsement and/or guarantee to be provided by the Company shall be conducted in accordance with the procedures. Should there be any violation of related regulations or the Procedures, the Company's managers and persons-in –charge shall be subject to castigation.

Article 8

- 1 When providing endorsement/guarantee to another company, the Company may require the endorse/guarantee company to submit application form to the Company's Finance Department. Finance Department shall conduct a credit survey and keep the record of risk assessment. After passage by the Finance Department, it shall be submitted to President and Chairman for approval. Collateral shall be obtained when necessary.
- 2 The Finance Department shall make an impact assessment based on the possibility of operation risk. The items to be evaluated include:
 - (1) The necessity and reasonableness of the endorsement and guarantee.
 - (2) Whether the endorsed amount is necessary in the light of the financial status of the company endorsed or guaranteed.
 - (3) Whether the accumulated amount of endorsement and guarantee is still within the limit.
 - (4) Whether the collateral shall be acquired and the assessed value of the collateral.

(5) The possibility of harming the Company's equity.

- 3 Finance Department shall establish and maintain a reference book for endorsement/ guarantee matters and shall record in detail for future reference including the recipient, amount, date of passage by the Board of Directors or decision by the Chairman of the Board of Directors as authorized, date of the endorsement/guarantee and the abovementioned assessment data.
- 4 Finance Department shall assess and recognize, if any, contingent losses brought about by the endorsement/guarantee, to adequately disclose information in the financial statements, and to provide external auditors with necessary information for conducting due auditing and issuing auditing report.
- 5 If, due to changes of circumstances, the party to whom the Company provided endorsement and/or guarantee no longer satisfies the criteria set forth in the Procedures herein, or the amount of endorsement and/or guarantee exceeded the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be provided to the supervisors and the proposed corrections shall be implemented within the period specified in the plan.
- 6 When the net value of endorsed or guaranteed companies lower than 50% of its paid-in capital, subsequent precautions of control shall be established. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the paid-in capital shall be calculated with the sum of the share capital plus paid-in capital in excess of par shall be substituted

Article 9

- 1 The seal used specifically for endorsement/guarantee shall be the company seal registered with the Ministry of Economics Affairs. The person who safeguards the foresaid seal shall be approved by the Board of Directors of the Company and the change is subject to the same procedures. The designated person shall conduct the use of the seal or the issue of notes payable with the seal printing in compliance with the relevant procedures of the Company.
- 2 When providing endorsement/guarantee to a foreign company, the guarantee letter shall be signed by chairman of the company whom is authorized by the Board of Directors of the Company.

Article 10

- 1 If the endorsement or guarantee needs to be cancelled due to performance of debt or change of notes as a result of extension of the term, the endorsed company shall deliver a formal letter with the original notes endorsed and relevant documents to Finance Department to be chopped "cancellation" and returned, the application letter shall be kept for reference.
- 2 Finance department shall register the cancelled notes into the registry to reduce the accumulated amount of the endorsement.
- 3 When the notes are renewed for renewal, financial institution usually requires to endorse the new notes first and then return the old notes. Therefore, Finance Department shall keep a tracing and collecting record and trace the notes back as soon as possible.

Article 11

- 1 When the subsidiaries intend to provide endorsement/guarantee to other companies, the Company shall require its subsidiaries to establish relevant procedures for providing endorsement/guarantee in accordance with the Procedures and to comply with such procedures; Net worth shall be calculated based on the subsidiary's net worth.
- 2 The subsidiaries shall compile and submit the schedule which includes the details of endorsement/guarantee made in the previous month to the Company for review by the tenth day of the current month.
- 3 The subsidiary's internal auditors shall perform auditing on the Company's endorsement/guarantee profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's internal auditors. The Company's internal auditors shall submit written report to supervisors.
- 4 The internal audit personnel of the Company shall audit the subsidiaries operational procedures according to Yearly Auditing plan and understand the implementation status of providing endorsement or guarantees for others. Corrections of any defects discovered shall be continuously be tracked and a follow-up report shall be made to submit to Chairman.

Article 12

The Procedures shall be submitted to the Board of Directors of the Company for approval. After approved by the Board of Directors of the Company, the Procedures shall be submitted to the audit committee of the Company and ratified by the Shareholders Meeting of the Company. Any amendment is subject to the same procedure. Any written objection or statement from Directors of the Board of the Company shall be submitted to the audit committee of the Company and afterwards submitted to the Shareholders Meeting for discussion. If the Company has independent Director(s), the opinions of objection or endorsement from the independent Director(s) of the Company shall be placed on record in the minutes of the Board of Directors of the Company.

Article 13 : The procedure was approved on May 29, 1990.

The 1st amendment was made on March 19, 1999.

The 2nd amendment was made on December 22, 1999.

The 3rd amendment was made on June 13, 2003.

The 4th amendment was made on June 19, 2008.

The 5th amendment was made on June 3, 2009.

The 6th amendment was made on June 15, 2010.

The 7th amendment was made on June 25, 2013

The 8th amendment was made on June 25, 2015

Appendix 6

Sino-American Silicon Products Inc.

Policies and Procedures for Financial Derivatives Transactions

Article 1

These Procedures are adopted in accordance with the provisions of 10 December 2002 Letter No. Taiwan-Finance-Securities-I-0910006105 of the Securities and Futures Commission, Ministry of Finance.

Article 2

The term "derivatives" in these Procedures means products such as forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts whose value is derived from assets, interest rates, foreign exchange rates, indices, or other interests, and compound derivatives formed by combinations of the aforesaid products.

Article 3

The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.

Article 4

Derivative products that the Company can buy or sell include foreign currency forward contracts, option contracts and swaps of foreign currency as well as interest rate.

Article 5

The profit of the Company shall be derived from the operation. The Company engages in derivatives transactions based on the principle of hedging currency and interest rate risks, and not for the purpose of generating profit. The instruments shall meet the need of hedging.

Article 6

For derivatives transactions in which the Company engages, loss ceiling of all contracts is US\$250,000. The individual contracts loss ceiling is 10% of the principal amount respectively and shall not exceed US\$250,000. "Non-transaction-oriented" or "Hedge-oriented": Transaction gain and loss is offset with hedged positions, no loss ceiling consequently. The aforementioned "transaction-oriented" refers to holding /issuing derivative transaction to profit from price difference. "Non-transaction-oriented" or "Hedge-oriented" refers to transactions for other purposes.

Article 7 : Division of authority and duties

- (1) Finance Department that is in charge of hedging strategy shall establish the hedging limit towards revenue, import/export and the balance position of the Company to ensure proper

risk control.

- (2) Finance Department shall pay attention to currency as well as capital position at all times, submit hedging strategy according to actual needs for president's approval. Any deviation can only be executed upon receiving president's approval.

Article 8 : Performance assessments

- (1) The performance assessments are based on the gain or loss between account exchange and interest rate and derivative trading.
- (2) The Finance Department shall assess market prices and evaluate hedging performance each week. "Transaction-oriented" position shall be evaluated at least once a week; "Non-transaction-oriented" or "Hedge-oriented" position shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.

Article 9

The total contract amount from the derivative trading shall not exceed 50% of actual import/export foreign currency needs, and shall be reported to the latest BOD meeting after transaction. Apart from import/export, any currency hedging should adopt the assets (liability) which are held or anticipated to trade as ceiling. If overseas acquisition adopts acquisition price as ceiling, it can only be executed after BOD approval, and shall be reported to the latest BOD meeting after execution.

Article 10 : Authorization

- (1) The amount within US\$500 thousand or equivalent foreign currency on each transaction shall be approved by President.
- (2) The amount exceed US\$500 thousand on each transaction shall be approved by Chairman.

Article 11

Finance Department shall evaluate the financial institution with better condition, and engage in derivative trading within the agreement after getting the approval of president and Chairman.

Article 12

The Company shall disclose its and its subsidiaries derivative transactions before 10th of each month to Securities and Futures Bureau' Market Observation Post System website.

Article 13

Finance Department shall make trading slip and details regarding derivatives transaction in accordance with transaction voucher and submit to the executive in charge for final approval. Finance department personnel shall confirm the content with the Corporation-designated bank in accordance with trading slip and details regarding derivatives transaction and submit to president for approval.

Article 14

The balance from the derivative trading shall be settled by the Finance Department immediately.

Article 15

The accounting handling towards the Company's derivative transactions will be conducted in accordance with the requirements of the General Acceptable Accounting Principles and the relevant Financial Accounting Principle Statement. The accounting of derivatives transactions entered into by the Company shall be processed pursuant to the Statements of Financial Accounting Standards No. 14 "Accounting for Financial Instruments".

Article 16

1 Internal Control

- (1) The Financial unit's transaction personnel and confirmation and settlement operations personnel may not concurrently serve in more than one of those positions.
- (2) A trading slip needs to be filled out by the trading personnel upon the completion of any transactions and passed to the confirmation personnel, who, in turn, shall confirm with counterparty and reconcile the master position table for reference.
- (3) Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty.
- (4) Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conforms to the ceilings set under these Procedures.

2 Risk Management

(1) Credit risk

Credit risk is controlled by restricting the counterparties that the Company deals with to those who either have banking relationship with the Company or are internationally renowned and can provide sufficient information.

(2) Market Risk

Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled.

(3) Liquidity Risk

Liquidity risk should be controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

(4) Operation Risk

The Company shall comply with the authorized trading amount and the rules of operating process in order to avoid the operating risk.

(5) Legal Risk

Any legal documents in respect of financial derivative transactions shall first be reviewed by in-house and/or outside legal counsel before being executed to control legal risk.

3 Periodic evaluation

- (1) The Finance Department shall assess market prices and evaluate hedging performance each week. "Transaction-oriented" amount shall be evaluated at least once a week; "Non-transaction-oriented" or "Hedge-oriented" amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.

- (2) The designated personnel appointed by the board of directors to monitor and control derivatives trading risks on an ongoing basis shall also at regular intervals evaluate whether trading performance accords with established operational strategies, and whether risks assumed are within a tolerable range. They shall at regular intervals evaluate whether the risk management procedures currently in use are appropriate and scrupulously conducted in accordance with these Procedures.
- (3) The chief financial officer shall monitor the trading and profit and loss situation. When any irregularity is discovered, the chief financial officer shall report to the board of directors. If independent director(s) have been appointed, the board of directors shall have the independent director(s) attend and express an opinion.
- (4) The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 2 of Article 18 and subparagraph 2 of this article shall be recorded in detail in the log book.

Article 17

An internal auditor shall regularly review the appropriateness of the derivatives transaction internal control system, conduct monthly checks on how well the trading unit is complying with these Procedures, analyze transaction cycles, and include their findings in an audit report. Where a material violation is discovered, they shall notify the supervisors in writing and the Company's persons-in-charge shall be subject to castigation.

Article 18

After these Procedures have been approved by the board of directors, they shall be delivered to each supervisor and submitted to a shareholders meeting for approval; the same applies when the Procedures are amended. If any director expresses dissent and it is on record or in a written statement, the director's dissenting opinion shall be delivered to each supervisor. Where the position of independent director(s) has been created, when these Procedures are submitted for deliberation by the board of directors, each independent director's opinions shall be taken into full consideration; the independent directors' specific opinions of assent or dissent and the reasons therefore shall be included in the minutes of the board of directors meeting.

Article 19

The Procedure was enacted on March 19, 1999

The 1st amendment was made on June 13, 2003.

The 2nd amendment was made on June 8, 2006.

The 3rd amendment was made on June 25, 2013.

Appendix 7

Sino-American Silicon Products Inc.

Rules for Election of Directors

Article 1

Unless otherwise provided in the Company Law or the Articles of Incorporation of this Company, the independent and non-independent directors of this Company shall be elected in accordance with the rules specified herein.

Article 2

Election of directors of this Company shall be held at the shareholders' meeting. The board of directors shall prepare ballots and note the number of voting rights.

Article 3

The election of directors shall adopt a disclosed cumulative voting method. Each share represents a weighted number of voting rights equivalent to the number of directors to be elected; such voting rights may be exercised to collectively elect a single candidate or may be distributed among several candidates. Those persons with the greatest numbers of ballots representing voting rights shall be elected as director in order of number of ballots received. Each voter will be identified by his/her attendance card number as printed on his/her ballot.

Article 4

This Company's directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of the ROC Company Law.

Article 5

In the election of directors of this Company, independent directors and non-independent directors should be elected from the same election with the effective seats calculated specifically. Candidates who acquire more votes should individually win the seats of directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.

Article 6

The Board of Directors shall prepare ballots and distribute one ballot to each shareholder identified by his/her attendance card number. Each ballot shall contain the votes that the voter is entitled to in the election.

Article 7

At the beginning of the election, the Chairman shall appoint several persons each to check and

record the ballots. The persons to check the ballots may be appointed from among the shareholders present.

Article 8

The ballot box used for voting shall be prepared by this Company and checked in public by the person to check the ballots before voting.

Article 9

If the candidate is a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and shareholder's number. If the candidate is not a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and the candidate's ID number. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of their representative(s) should be filled in the column. If there are several representatives, each of the representatives' names must be filled in.

Article 10

Ballots shall be deemed void under the following conditions:

1. Ballots not prepared by the Board of Directors;
2. The number of candidates filled in the ballot exceeding the number of the seats to be elected.
3. Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID number);
4. The handwriting on the ballots is too illegible to be identified or is altered;
5. If the candidate is a shareholder of this Company, the name or shareholder's number of the candidate filled in the ballot inconsistent with the shareholders' register. If the candidate is not a shareholder of this Company, the name or ID number of the candidate filled in the ballot is incorrect;
6. Ballots without being filled in candidate's name or shareholder's number (ID number).

Article 11

The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

Article 12

This Company shall issue notifications to the directors elected.

Article 13

These rules and any revision thereof shall become effective after approval at the shareholders' meeting.

Article 14

This Procedure was enacted on June 26, 2014.

Appendix 8

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 29, 2017 as the table shown below.

Position	Name	Shareholdings	Note
Chairman	Ming-Kung Lu	11,600,000	
Vice Chairman	Tang-Liang Yao	1,800,395	
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	2,000,000	Representative: Chih-Yao Sun
Director	Kun Chang Investment Co.	2,202,100	Representative: Yu-da Chang
Independent Director	Ting-Ko Chen	0	
Independent Director	Hsing-Hsien Lin	0	
Independent Director	Angela Huang	0	
Total (Directors and Supervisors)		26,143,169	Met required shareholding

Appendix 9

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 21 to May 2, 2017. The Company has made a public announcement on MOPS.
3. The Company has not received any proposal from shareholders yet.