Sino-American Silicon Products Inc.
2018 Annual General Shareholders' Meeting Minutes

Time: 9:00 a.m., Tuesday, June 26, 2018

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

Total common shares outstanding: 592,058,651 shares

Total after deduction according to Act 179 of the Company Law: 586,503,651 shares

Attending shareholders and proxy representing: 500,984,456 shares (including 303,304,613 shares of e-voting)

Ratio of Attending shareholders and proxy representing to total common shares outstanding: 85.41%

Chairman	Ming-kung Lu
Director	Tan-liang Yao
	Hsiu-lan Hsu
	Kan-hsin Liu: Solartech Energy Corp.
	Wen-huei Tsai
	Chun-huei Ho: CDIB Venture Capital Corp.
	Hau Fang: Kai-chiang Company
	Rong-kang Sun: Mau-yang Company
	Ting-ko Chen
	Hsing-hsien Lin
	Meng-hua Huang
Others	Chen-chien Chen, An-chih Cheng: KPMG Accountant
	Bin-kuen Chang: LCS lawyer

Call Meeting to Order:

The aggregate shareholding of the presenting shareholders constituted a quorum.

Chairman's Address: (Omitted)

Report Items

Item 1 Fiscal 2017 Business Report submitted for review

Please refer to the Fiscal 2017 Business Report as attached.

Item 2 Audit Committee's 2017 Review Report submitted for review

Please refer to the Audit Committee's 2017 Review Report as attached.

Item 3 Rejection on the private placement of common shares after the expiration date

Please refer to the handbook of SAS 2018 AGM.

Approval Items

Item 1 (Proposed by the Board of Directors)

Motion: To accept FY 2017 business report and financial statements

(1) The SAS 2017 Financial Statements were audited by KPMG CPAs, Cheng-chien Chen and Ann-chih Cheng. The aforementioned and FY 2017 business report have been approved by the audit committee.

(2) Please refer to the Business Report and the Financial Statements as attached.

(3) Approval requested

Resolution:

Approved by the voting result as follows

FOR - 422,746,571 votes (86.26% of total votes)

AGAINST - 132,468 votes

ABSTAIN - 67,175,607 votes

NULLIFICATION - 0 vote

Item 2 (Proposed by the Board of Directors)

Motion: To approve the 2017 appropriation of profit or loss proposal

(1) As of the beginning of 2017, the Company's accumulated loss is NT$1,565,753,744. Plus adjustments to the remeasurements of defined benefit plans, the accumulated loss is NT$1,353,133,091. Compensated by net income after tax of FY2017 of NT$1,035,504,164, the accumulated loss of year is NT$317,628,927, and the balance is NT$0 after being compensated by capital reserve of NT$317,628,927.

(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 2017 Appropriation of Loss Statement as attached.

(4) Resolution requested

Resolution:

Approved by the voting result as follows

FOR - 423,775,483 votes (86.47% of total votes)

AGAINST - 7,556 votes
ABSTAIN - 66,271,607 votes
NULLIFICATION - 0 vote

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$1,759,510,953. 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$3 cash dividend.

(2) Upon the approval of the Annual General Meeting, the distribution record date will fall on July 29, 2018 and the dividend distribution day on August 16, 2018. 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:

Approved by the voting result as follows
FOR - 423,517,639 votes (86.42% of total votes)
AGAINST - 266,499 votes
ABSTAIN - 66,270,508 votes
NULLIFICATION - 0 vote

Item 2 (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 14.49%. 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:

NNo 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.

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:

Approved by the voting result as follows
FOR - 359,974,541 votes (73.45% of total votes)
AGAINST – 62,878,591 votes
ABSTAIN - 67,201,514 votes
NULLIFICATION - 0 vote

Item 3 (Proposed by the Board of Directors)

Motion: Amendment to the "Rules of Procedures for Shareholders' Meeting"

(1) In compliance with laws and operation need of the Company, amendments have been made to the "Rules of Procedures for Shareholders' Meeting." Please refer to the comparison chart as attached.

(2) Resolution requested

Resolution:

Approved by the voting result as follows
FOR - 423,775,052 votes (86.47% of total votes)
AGAINST – 6,992 votes
ABSTAIN - 66,272,602 votes
NULLIFICATION - 0 vote

Item 4 (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.” Please refer to the comparison chart as attached.
(2) Resolution requested

Resolution:

Approved by the voting result as follows
FOR - 423,637,887 votes (86.44% of total votes)
AGAINST - 144,158 votes
ABSTAIN - 66,272,601 votes
NULLIFICATION - 0 vote

Supplementary Motions: None

Meeting Adjourned: 09:38

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

Attachment 1

Sino-American Silicon Products Inc.
Fiscal 2017 Business Report

Dear Shareholders,

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

There had been a slow season for the solar market during the first half of 2017 due to factors such as trade wars, breakthrough technologies, and changes to government subsidies. Market growth came back a little in the third quarter thanks to the deadline extension of the solar subsidy in China from June 30 to September 30 and the installation rushes from the US before the final judgment of section 201. Along with the weak demand and price decline from the fourth quarter, however, manufacturers at home again had to face severe challenges. With the efforts of all SAS staff by resource integration, product differentiation and revenue injection from SAS, the subsidiary, our revenue successfully hit another all-time high for a turnaround. In solar business, consolidated revenue for 2017 accumulated NT$59.3 billion, a 87.9% increase from the NT$31.5 billion in the previous year. Net income attributable to parent company was NT$1 billion. Earnings per share was NT$1.8.

The 2017 operating results and 2018 business plan overview are presented as follows.

A. Operation Performance in 2017

1. Operation Performance

Unit: NT$'000

Year / Item	2017 (IFRSs)	2016 (IFRSs)	Change (%)
Operating Revenue	59,371,198	31,599,040	88
Operating Costs	47,967,962	28,164,027	70
Operating Profit from Operations	11,403,236	3,435,013	232
Operating Expenses	5,078,234	3,392,953	50
Operating Income (Loss)	6,325,002	42,060	14,938
Income before Tax (Loss)	5,125,741	(856,378)	699
Net Income (Loss)	3,518,628	(1,289,006)	373

Net Income Attributable to the parent Company	1,035,505	(1,589,225)	165

Benefitting from an installation rush of distributed and centralized power stations in China, considerable demand for raw materials was seen in 2017. This also led to a historical high for 2016 global PV installation up to 102GW, a 28% increase year over year compared with that of 79.4GW in 2016. In solar business, SAS continued to focus on cost reduction, conversion efficiency of high efficiency products as well as further integration and strategy alliance with downstream system power stations so as to enhance our operational efficiency and competitiveness. In reinvestment business, SAS' semiconductor subsidiary GWC made a satisfying contribution with impressive consolidated revenue of NT$46.2 billion, net income attributable to SAS of NT$5.2 billion and an EPS of NT$12.68.

2. Budget Implementation: No financial forecast for 2017
3. Profitability Analysis

Item		2017	2016
Financial Structure	Debt ratio (%)	51	66
	Long-term funds to fixed assets (%)	162	123
Profitability	Rate of return on assets (%)	4.57	(1.77)
	Rate of return on stock equity (%)	9.91	(4.62)
	Operating income to capital (%)	106.83	0.73
	Income before tax to capital (%)	86.57	(14.76)
	Net income to sales (%)	5.93	(4.08)
	Earnings per share (NT$)	1.8	(2.77)

4. Financial structure

   2017 revenue is NT$59,371,198,000. Operating cost is NT$47,967,962,000. Operating expense is NT$5,078,234,000. Other income is NT$1,119,261,000. Net income before tax is NT$5,125,741,000. Net income after tax is NT$3,518,628,000. The financial structure is healthy.

5. Research & Development Status

   1) 2017 Research & Development Expenditure

Unit: NT$'000

Item/ Year	2017	2016
Research & Development Expenses	1,671,895	976,091
Net Revenue	59,371,198	31,599,040

R&D Expenses to Net Revenue (%)	2.82	3.09

2) Research & Development Achievement in 2017

Our technology / products

(1) DW multi-crystalline solar wafer

(2) High efficiency mono-crystal solar cell

(3) Very high efficiency and low LID P-type multi-crystalline Si solar cell

3) Future Plan

(1) DW robust solar wafers

(2) Ultra efficiency P type mono-crystal solar cell

(3) Extra high efficiency and low lid P-type solar cell

(4) Extra high efficiency N type mono-crystal solar cell

B. 2018 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 market development as well as continuous development of high efficiency products of next generation with price competitiveness.
   3) Aggressively planning layouts for expending solar power plants specifically in Taiwan and southeast Asia area for investments or construction projects of ground mounted and floating power plants.
2. Sales Forecast

   With the price decline of solar modules, demands for solar power generation worldwide will continue to grow. The analyst of PVinfoLink predicted that the global solar power generation for 2018 shall achieve 95GW. New demand for PERC will continue and become one of the main trends. In addition, technology improvement has largely decreased the cost of materials and made multi-crystalline wafers of gold wire slicing and high efficiency cell the main stream. Thus SAS will strengthen the operational competitiveness so as to adjust operational strategies by maintaining its leading PERC cell efficiency and to master the market trend and industry momentum by making full usage of DW multi-crystalline solar wafer production lines.

3. Sales & Production Policy
    1) Seeking for new customers and developing collaboration with non-China area in order to enhance our adaptability to market changes.
    2) Strengthening the connection with downstream customers and increasing added value by core technology capability and lower manufacturing costs for profitable opportunities.
    3) Establishing long-term business of downstream system and adopting an overall vertical integration strategy to expand our product export for better operating income.
4. Future Strategy
    1) Accelerating a breakthrough on solar 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 we as skill and product differentiation.
    3) Aggressively involving in solar power plant business and construction service to expand markets for the group at home and abroad, plus developing new investment partnership with solar system for steady income.
    4) 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.
5. Influences from External Competition, Regulations and Economy
    1) To survive among various competitors and oversupply, SAS has aggressively explored new customers and provided superior products and service by developing highly cost-effective new products while accelerating the integration of downstream power plants so as to expand more export markets for the group.
    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) To improve confidential information management and establish global patent core strategy to enhance our capability facing international competitiveness and market changes.

The year of 2018 will still be filled with uncertainty and challenges. Despite of the anticipation by GTM Research that the PV installation for 2018 will come up to 100GW, there’s no sign yet shown for a steady recovery to come. SAS will continue to strive for new innovation and cost reduction to increase its own capability and also to expand the layout regarding solar power farms to improve operation, and also become one of the sustainable green industries with increasing profitability for 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 2017 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 Chen-chien Chen, CPA, and Ann-chih Cheng, 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:

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Ting-Kuo Chen
April 20, 2018

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, 2017 and 2016, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 2017 and 2016 with 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 of December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years ended 2017 and 2016 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 of 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 Technlogy as of December 31, 2017 and 2016 respectively were 1% of the total asset. The loss of affiliated enterprises using equity method of 2017 and from January 1 to December 31, 2016 were (5)% of loss before tax and 40% of profit before tax respectively.

Sino-American Silicon Products Inc. has compiled standalone financial reports for 2017 and 2016 on which we have issued an unqualified opinion.

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 2017. 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 data 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. Derogation of Goodwill

Please refer to the note 4(20) Intangible Assets for "Derogation of Goodwill" of accounting policy, note 5(3) of the consolidated financial statements for assumption and evaluation uncertainty of "Derogation of Goodwill", and note 6(14) Intangible Assets of the consolidated financial statements for further details.

Description of key audit matter:

As a high capitalization industry, it matters to evaluate the derogation of goodwill of the Group due to its goodwill deriving from industrial mergers and the fact that the business of the Group fluctuates according to the market environment as well as government policies etc. The evaluation procedure includes identification of cash generating unit, method of evaluation, important assumption selection and recoverable amount calculation etc. that all depends on the subjective judgment of the managerial level. 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 reviewing the derogation and status of the cash generating units determined by the managerial level, assessing the reasonableness of the recoverable amount judged by the managerial level, reviewing the expectation accuracy made by the managerial level in the past, reviewing the calculation of the recoverable amount by the cash generating unit, reviewing expectation to the future cash flow and calculating all assumption of the recoverable amount together with sensitivity analysis of specific defaults, and evaluating whether the disclosure in the notes to the derogation of goodwill policy and other information is appropriate.

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

Manageme**nt is responsib**le 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 22, 2018

2017 Financial Statements (Consolidated)

Financial Statement — Balance Sheet

Provided by: Sino-American Silicon Products Inc.

Finacial year: Yearly

Unit: NT$ thousand

Accounting Title	2017/12/31	2016/12/31
Balance Sheet		
Assets		
Current assets		
Cash and cash equivalents		
Total cash and cash equivalents	20,342,780	9,269,460
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	21,546	2,442
Total current financial assets at fair value through profit or loss	21,546	2,442
Accounts receivable, net		
Accounts receivable	8,715,836	8,329,710
Accounts receivable, net	8,715,836	8,329,710
Accounts receivable due from related parties, net		
Accounts receivable due from related parties	113,707	230,137
Accounts receivable due from related parties, net	113,707	230,137
Inventories		
Inventories, manufacturing business		
Inventories, manufacturing business, net	10,047,905	9,708,321
Total inventories	10,047,905	9,708,321
Other current assets		
Other current financial assets	174,383	528,827
Other current assets, others	1,589,902	2,074,722
Total other current assets	1,764,285	2,603,549
Total current assets	41,006,059	30,143,619
Non-current assets		
Non-current available-for-sale financial assets		
Non-current available-for-sale financial assets	685,194	661,280
Non-current available-for-sale financial assets, net	685,194	661,280
Held-to-maturity non-current financial assets		
Non-current held-to-maturity financial assets, net	281,366	281,400
Non-current financial assets at cost		
Non-current financial assets at cost	838,181	898,754
Non-current financial assets at cost, net	838,181	898,754
Investments accounted for using equity method		
Investments accounted for using equity method	1,694,717	1,190,070
Investments accounted for using equity method, net	1,694,717	1,190,070
Property, plant and equipment		
Land, net		

Land, cost	3,408,791	3,619,236
Land, net	3,408,791	3,619,236
Buildings and structures, net		
Buildings and structures, cost	17,896,097	18,686,141
Accumulated depreciation, buildings and structures	8,026,379	7,580,754
Buildings and structures, net	9,869,718	11,105,387
Machinery and equipment, net		
Machinery and equipment, cost	56,760,858	58,620,449
Accumulated depreciation, machinery and equipment	37,081,741	35,622,817
Machinery and equipment, net	19,679,117	22,997,632
Other facilities, net		
Other facilities, cost	4,280,713	3,551,350
Accumulated depreciation, other facilities	2,257,780	1,952,090
Other facilities, net	2,022,933	1,599,260
Unfinished construction and equipment under acceptance	2,548,249	2,076,313
Total property, plant and equipment	37,528,808	41,397,828
Intangible assets		
Patents, net		
Patents	0	0
Patents, net	0	0
Goodwill	2,429,026	2,585,621
Acquired special technology, net		
Acquired special technology	1,702,225	1,708,113
Accumulated impairment, acquired special technology	333,694	2,286
Acquired special technology, net	1,368,531	1,705,827
Other intangible assets, net		
Other intangible assets	0	0
Other intangible assets, net	0	0
Intangible assets under development, net		
Intangible assets under development	164,472	153,291
Accumulated impairment, intangible assets under development	22,895	8,666
Intangible assets under development, net	141,577	144,625
Total intangible assets	3,939,134	4,436,073
Other non-current assets		
Non-current prepayments for investments	0	0
Other non-current financial assets		
Other non-current financial assets, others	403,078	424,931
Total other non-current financial assets	403,078	424,931
Other non-current assets, others		
Other non-current assets, others	2,965,996	3,580,453
Total other non-current assets, others	2,965,996	3,580,453
Total other non-current assets	3,369,074	4,005,384
Total non-current assets	48,336,474	52,870,789
Total assets	89,342,533	83,014,408

Liabilities and equity		
Liabilities		
Current liabilities		
Short-term borrowings		
Bank loan	13,753,204	16,465,410
Total short-term borrowings	13,753,204	16,465,410
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	5,152	23,631
Total current financial liabilities at fair value through profit or loss	5,152	23,631
Accounts payable		
Accounts payable	5,342,167	6,323,165
Total accounts payable	5,342,167	6,323,165
Accounts payable to related parties		
Accounts payable to related parties	9,708	4,370
Total accounts payable to related parties	9,708	4,370
Other payables		
Wages and salaries payable	1,990,597	1,300,219
Dividends payable	0	0
Total other payables	1,990,597	1,300,219
Current provisions		
Short-term onerous contracts provision	60,880	408,703
Short-term provision for decommissioning, restoration and rehabilitation costs	9,984	9,690
Total current provisions	70,864	418,393
Other current liabilities		
Advance receipts		
Advance sales receipts	2,496,832	418,855
Total advance receipts	2,496,832	418,855
Long-term liabilities, current portion		
Long-term borrowings, current portion	613,333	1,238,990
Total long-term liabilities, current portion	613,333	1,238,990
Other current liabilities, others	3,955,141	5,708,632
Total other current liabilities	7,065,306	7,366,477
Total current liabilities	28,236,998	31,901,665
Non-current liabilities		
Long-term borrowings		
Long-term bank loans	5,033,539	16,356,833
Total long-term borrowings	5,033,539	16,356,833
Non-current provisions		
Long-term onerous contracts provision	452,497	502,936
Long-term provision for decommissioning, restoration and rehabilitation costs	52,911	133,272
Total non-current provisions	505,408	636,208
Other non-current liabilities		
Other non-current liabilities, others	11,789,677	6,892,615

Total other non-current liabilities	11,789,677	6,892,615
Total non-current liabilities	17,328,624	23,885,656
Total liabilities	45,565,622	55,787,321
Equity		
Equity attributable to owners of parent		
Share capital		
Ordinary share	5,920,587	5,800,312
Advance receipts for share capital	0	0
Total capital stock	5,920,587	5,800,312
Capital surplus		
Capital surplus, additional paid-in capital		
Capital surplus, additional paid-in capital arising from ordinary share	13,970,742	14,832,456
Total capital surplus, additional paid-in capital	13,970,742	14,832,456
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	2,492,997
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	6,762,869	1,092,242
Capital surplus, employee share options	606,036	372,023
Capital Surplus, restricted stock	341,422	0
Total capital surplus	24,205,831	18,821,483
Retained earnings		
Legal reserve	311,579	311,579
Special reserve	513,302	513,302
Unappropriated retained earnings (accumulated deficit)		
Accumulated profit and loss	-317,629	-1,565,754
Total unappropriated retained earnings (accumulated deficit)	-317,629	-1,565,754
Total retained earnings	507,252	-740,873
Other equity interest		
Exchange differences on translation of foreign financial statements		
Exchange differences on translation of foreign financial statements, parent	-1,973,334	-1,617,512
Total exchange differences on translation of foreign financial statements	-1,973,334	-1,617,512
Unrealized gains (losses) on available-for-sale financial assets		
Unrealized gains (losses) on available-for-sale financial assets, parent	-1,109,281	-1,188,654
Total unrealized gains (losses) on available-for-sale financial assets	-1,109,281	-1,188,654
Other equity, others		
Other equity, unearned compensation	-236,020	0
Other equity, others	-4,302	-6,354
Total other equity, others	-240,322	-6,354
Total other equity interest	-3,322,937	-2,812,520
Treasury shares	169,861	169,861
Total equity attributable to owners of parent	27,140,872	20,898,541
Non-controlling interests	16,636,039	6,328,546

Total equity	43,776,911	27,227,087
Total liabilities and equity	89,342,533	83,014,408
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.

Finacial year: Yearly

Unit: NT$ thousand

Accounting Title	2017/4th	2016/4th
Statement of comprehensive income		
Operating revenue		
Net sales revenue		
Sales revenue		
Sales revenue	59,371,198	31,599,040
Total sales revenue	59,371,198	31,599,040
Net sales revenue	59,371,198	31,599,040
Total operating revenue	59,371,198	31,599,040
Operating costs		
Cost of sales		
Cost of sales	47,967,962	28,164,027
Total cost of sales	47,967,962	28,164,027
Total operating costs	47,967,962	28,164,027
Gross profit (loss) from operations	11,403,236	3,435,013
Gross profit (loss) from operations	11,403,236	3,435,013
Operating expenses		
Selling expenses		
Total selling expenses	1,379,950	631,529
Administrative expenses		
Total administrative expenses	2,026,389	1,785,333
Research and development expenses		
Total research and development expenses	1,671,895	976,091
Total operating expenses	5,078,234	3,392,953
Net operating income (loss)	6,325,002	42,060
Non-operating income and expenses		
Other income		
Interest income		
Interest income from bank deposits	131,992	22,315
Total interest income	131,992	22,315
Dividend income	14,946	13,841
Total other income	146,938	36,156
Other gains and losses		
Foreign exchange gains	-597,363	18,543
Miscellaneous disbursements	37,829	88,419
Losses on disposals of investments	0	-81,131
Losses on financial assets (liabilities) at fair value through profit or loss	-117,706	-61,893
Impairment loss		
Other impairment loss	69,501	452,661
Total impairment loss	69,501	452,661
Other gains and losses, net	-586,987	-379,513

Finance costs		
Interest expense	506,347	172,816
Finance costs, net	506,347	172,816
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	252,865	382,265
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	-252,865	-382,265
Total non-operating income and expenses	-1,199,261	-898,438
Profit (loss) from continuing operations before tax	5,125,741	-856,378
Tax expense (income)		
Current tax expense (income)	1,607,113	432,628
Total tax expense (income)	1,607,113	432,628
Profit (loss) from continuing operations	3,518,628	-1,289,006
Profit (loss)	3,518,628	-1,289,006
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	506,710	34,914
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	88,347	6,599
Components of other comprehensive income that will not be reclassified to profit or loss	418,363	28,315
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation	-722,292	-314,499
Unrealised gains (losses) on valuation of available-for-sale financial assets	23,914	-2,978
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	105,196	-31,979
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-110,730	7,269
Components of other comprehensive income that will be reclassified to profit or loss	-482,452	-356,725
Other comprehensive income, net	-64,089	-328,410
Total comprehensive income	3,454,539	-1,617,416
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	1,035,505	-1,589,225
Profit (loss), attributable to non-controlling interests	2,483,123	300,219
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	971,676	-1,832,339
Comprehensive income, attributable to non-controlling interests	2,482,863	214,923
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	1.8	-2.77
Total basic earnings per share	1.8	-2.77
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	1.79	-2.77

Total diluted earnings per share	1.79	-2.77

Financial Statement — Statements of Cash Flows

Provided by: Sino-American Silicon Products Inc.

Finacial year: Yearly

Unit: NT$ thousand

Accounting Title	2017/4th	2016/4th
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	5,125,741	-856,378
Profit (loss) before tax	5,125,741	-856,378
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	5,889,914	2,741,881
Amortization expense	351,116	15,768
Provision (reversal of provision) for bad debt expense	19,581	19,284
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-37,583	-39,237
Interest expense	506,347	172,816
Interest income	-131,992	-22,315
Dividend income	-14,946	-13,841
Share-based payments	45,752	5,563
Share of loss (profit) of associates and joint ventures accounted for using equity method	252,865	382,265
Loss (gain) on disposal of property, plan and equipment	-2,303	17,413
Loss (gain) on disposal of investments	0	-81,131
Impairment loss on financial assets	69,501	452,661
Impairment loss on non-financial assets	0	0
Other adjustments to reconcile profit (loss)	-435,717	345,221
Total adjustments to reconcile profit (loss)	6,512,535	3,996,348
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in accounts receivable	-289,277	875,715
Decrease (increase) in inventories	62,440	-64,377
Decrease (increase) in prepayments	660,001	541,541
Decrease (increase) in other operating assets	458,718	242,590
Total changes in operating assets	891,882	1,595,469
Changes in operating liabilities		
Increase (decrease) in accounts payable	-996,186	-172,362
Increase (decrease) in provisions	-460,680	-358,680
Increase (decrease) in receipts in advance	6,767,274	2,887
Increase (decrease) in net defined benefit liability	-27,949	-22,861
Increase (decrease) in other operating liabilities	-1,241,697	-462,085
Total changes in operating liabilities	4,040,762	-1,013,101
Total changes in operating assets and liabilities	4,932,644	582,368
Total adjustments	11,445,179	4,578,716
Cash inflow (outflow) generated from operations	16,570,920	3,722,338

Interest received	128,302	20,238
Dividends received	14,946	13,841
Interest paid	-509,916	-160,818
Income taxes refund (paid)	-834,955	-1,099,479
Net cash flows from (used in) operating activities	15,369,297	2,496,120
Cash flows from (used in) investing activities		
Acquisition of available-for-sale financial assets	0	0
Acquisition of held-to-maturity financial assets	0	-280,000
Acquisition of financial assets at cost	-49,896	-9,000
Proceeds from capital reduction of financial assets at cost	0	10,568
Acquisition of investments accounted for using equity method	-649,000	0
Acquisition of property, plant and equipment	-3,347,558	-4,001,213
Proceeds from disposal of property, plant and equipment	659,779	56,160
Decrease in refundable deposits	-15,343	2,727
Acquisition of intangible assets	-2,530	0
Net cash inflows from business combination	-3,254	-16,968,015
Increase in other financial assets	362,227	-250,448
Dividends received	0	0
Net cash flows from (used in) investing activities	-3,045,575	-21,439,221
Cash flows from (used in) financing activities		
Increase in short-term loans	-2,723,221	13,555,429
Proceeds from long-term debt	7,993,539	15,607,812
Repayments of long-term debt	-19,944,479	-6,950,935
Cash dividends paid	-861,714	-861,714
Exercise of employee share options	294,638	0
Payments to acquire treasury shares	0	0
Change in non-controlling interests	13,495,155	1,093,660
Other financing activities	119,300	0
Net cash flows from (used in) financing activities	-1,626,782	22,444,252
Effect of exchange rate changes on cash and cash equivalents	376,380	-133,658
Net increase (decrease) in cash and cash equivalents	11,073,320	3,367,493
Cash and cash equivalents at beginning of period	9,269,460	5,901,967
Cash and cash equivalents at end of period	20,342,780	9,269,460
Cash and cash equivalents reported in the statement of financial position	20,342,780	9,269,460

Financial Statement — Statements of Changes in Stockholders' Equity

Provided by: Sino-American Silicon Products Inc.

Finacial year: Yearly

Unit: NT$ thousand

2017/12/31 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	18,821,483	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
Legal reserve appropriated				0		0	0						0		0
Special reserve appropriated													0		0
Changes in equity of associates and joint ventures accounted for using equity method			5,670,627							2,052	2,052		5,672,679	8,362,023	14,034,702
Cash dividends from capital surplus			-861,714										-861,714		-861,714
Profit (loss)						1,035,505	1,035,505						1,035,505	2,483,123	3,518,628
Other comprehensive income						212,620	212,620	-355,822	79,373		-276,449		-63,829	-260	-64,089
Total comprehensive income						1,248,125	1,248,125	-355,822	79,373		-276,449		971,676	2,482,863	3,454,539
Changes in non-controlling interests														-537,393	-537,393
Share-based payments	120,275	120,275	575,435							-236,020	-236,020		459,690		459,690
Total increase (decrease) in equity	120,275	120,275	5,384,348	0		1,248,125	1,248,125	-355,822	79,373	-233,968	-510,417		6,242,331	10,307,493	16,549,824
Equity at end of period	5,920,587	5,920,587	24,205,831	311,579	513,302	-317,629	507,252	-1,973,334	-1,109,281	-240,322	-3,322,937	-169,861	27,140,872	16,636,039	43,776,911

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

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, 2017 and 2016, and the statements of comprehensive income, changes in equity and cash flows for the years ended 2017 and 2016 with 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 of December 31, 2017 and 2016, and its financial performance and its cash flows for the year ended 2017 and 2016 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 Technlogy as at December 31, 2017 and 2016 respectively were 2% and 4% of the total asset. The loss of affiliated enterprises using equity method of 2017 and from January 1 to December 31, 2016 were (25)% of loss before tax and (21)% 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 – 50.84% shareholding of its subsidiary (GlobalWafers Co., Ltd.). Considering the investment to the subsidiary of GlobalWafers is mainly out of industrial mergers plus the fluctuating market factors that may easily influence GlobalWafers’ business, the income recognition of subsidiaries, derogation of goodwill deriving from inventory assessment and industrial mergers become relatively of importance. Thus we consider it one of the important matters 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 as (1) income recognition and (2) inventory assessment. Key audit procedures for derogation of goodwill mainly included reviewing the possible derogation of the cash generating unit judged by the managerial level and the status, identifying the reasonableness of the assessing method used for the recoverable amount, evaluating the expectation accuracy made by the managerial level in the past, reviewing the calculation method used by the managerial level for the recoverable amount of the cash generating unit, evaluating the future cash flow and all assumption used to calculate recoverable amounts as well as the sensitiveness analysis on all important defaults.

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

the 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 22, 2018

Parent-Company-Only Statements of Financial Position

December 31, 2017 and 2016 (expressed in thousands of New Taiwan dollars)

Assets		December 31, 2017	%	December 31, 2016	%
Current assets:					
Cash and cash equivalents	$	673,428	2	2,579,645	9
Notes and trade receivable, net		728,986	2	488,815	2
Accounts receivable from related parties		1,518,914	5	1,181,941	4
Inventories, net		2,234,785	6	2,006,867	7
Prepayments for materials		269,441	2	484,203	2
Other current assets		119,977	—	131,742	—
		5,545,531	17	6,873,213	24
Non-current assets:					
Available-for-sale financial assets – non-current		685,194	2	661,280	2
		281,366	1	281,400	1
Financial assets carried at cost – non-current		298,640	1	368,141	1
Investments accounted for using equity method		20,988,678	60	13,244,929	44
Property, plant and equipment, net		6,333,415	18	7,114,781	24
Intangible assets		—	—	—	—
Deferred income tax assets		178,030	—	210,876	1
Other financial assets – non-current		19,805	—	24,636	—
Long-term prepayments for materials		521,540	1	827,887	3
		29,306,668	83	22,733,930	76
Total Assets	$	**34,852,199**	100	**29,607,143**	100

Liabilities and Stockholders' Equity		December 31, 2017	%	December 31, 2016	%
Current liabilities:					
Short-term borrowings	$	2,364,913	7	1,760,000	6
Notes and accounts payable		1,043,113	3	1,376,761	4
Payables to related parties		4,740	—	6,441	—
Payroll and bonus payable		323,170	1	267,900	1
Other current liabilities		466,882	1	386,521	1
Revenue received in advance for sales		287,517	1	318,136	1
Provision – current		—	—	—	—
Current portion of long-term loans payable		—	—	748,011	2
		4,490,335	13	4,863,770	15

Non-current liabilities:				
Long-term loans payable	1,360,000	4	1,990,000	7
Liability reserve	—	—	427,000	1
Other liabilities – non-current	—	—	22,580	—
Liabilities preparation and other non-current liabilities	443,351	1	449,508	1
Revenue received in advance for sales – non-current	1,417,641	4	1,405,324	5
	3,220,992	9	3,844,832	13
Total Liabilities	7,711,327	22	8,708,602	28
Equity:				
Common stock	5,920,587	18	5,800,312	20
Capital surplus	24,205,831	69	18,821,483	64
Retained earnings:				
Legal reserve	311,579	1	311,579	1
Special reserve	513,302	1	513,302	2
Unappropriated earnings (accumulated deficits)	(317,629)	(1)	(1,565,754)	(5)
	507,252	1	(740,873)	(2)
Other equity	(3,322,937)	(10)	(2,812,520)	(9)
Tresury Stock	(169,861)	—	(169,861)	(1)
Total Equity	27,140,872	78	20,898,541	72
Total Liabilities and Equity	$ **34,852,199**	100	**29,607,143**	100

Parent-Company-Only Statements of Profit or Loss and Other Comprehensive Income
Years ended December 31, 2017 and 2016 (expressed in thousands of New Taiwan dollars, except for earnings per share)

		2017		2016	
			%		%
Operating revenues:	$	11,282,980	100	10,390,005	100
Cost of goods sold		11,959,612	109	11,298,216	109
Gross loss		(676,632)	(6)	(908,211)	(9)
Operating expenses:					
Selling		66,787	1	53,714	—
General and administrative		143,398	1	106,182	1
Research and development		203,724	2	207,175	2
Total operating profit		413,909	5	367,071	3
Operating loss		(1,090,541)	(10)	(1,275,282)	(12)
Non-operating income and (expenses):					
Other income		50,152	—	25,007	—
Other gains and (losses)		(162,855)	(1)	(446,619)	(4)
Interest expense		(46,537)	—	(66,422)	(1)
Share of profit or loss of subsidiaries and associates accounted for using equity method		2,275,232	20	170,432	2
Total non-operating income and expenses		2,115,992	19	(317,602)	(3)
Profit from continuing operations before income tax		1,025,451	(9)	(1,592,884)	(15)
Income tax expense		(10,054)	-	(3,659)	-
Net profit (loss)		**1,035,505**	(9)	**(1,589,225)**	(15)
Other comprehensive income (loss)：					
Components of other comprehensive income that will not be reclassified to profit or loss					
Actuarial loss on defined benefit plans		(153)	—	(3,905)	—
Share of other comprehensive income of subsidiaries and associates accounted for using equity method		212,773	2	19,396	—
Total of items that may be reclassified subsequently to profit or loss:		212,620	2	15,491	—
Income tax related to components of other conprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations		(76,543)	(1)	(76,933)	—
Unrealized gain (loss) on available-for-sale financial assets		23,914	—	(178,850)	(2)
Share of other comprehensive income of subsidiaries and associates accounted for using equity method		(236,832)	(2)	(15,900)	—
Income tax related to other comprehensive income		13,012	—	13,078	—

Total other comprehensive income (loss), net of income tax		(63,829)	(1)		(243,114)	(2)
Total comprehensive income (loss)	$	**971,676**	**8**		**(1,832,339)**	**(17)**
Earnings per share (in dollars)						
Basic earnings (loss) per share	$	**1.80**			**(2.77)**	
Diluted earnings (loss) per share	$	**1.79**		$		

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

Years ended December 31, 2017 and 2016 (expressed in thousands of New Taiwan dollars)

	Common stock	Capital surplus	Retained Earnings: Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Other Equity: Exchange differences on translation	Unrealized gain (loss) on available-for-sale financial assets	Unrealized remuneration of employees	other	Total	Treasury stock	Total equity
Balance at January 1, 2016	$ 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
Net profit for the period	—	—	—	—	(1,589,225)	(1,589,225)	—	—	—	—	—	—	(1,589,225)
Other comprehensive profit and loss	—	—	—	—	15,491	15,491	(157,442)	(101,163)	—	—	(258,605)	—	(243,114)
Total comprehensive profit and loss	—	—	—	—	(1,573,734)	(1,573,734)	(157,442)	(101,163)	—	—	(258,605)	—	(1,832,339)
Appropriation and distribution of retained earnings													
Legal reserve	—	—	51,951	—	(51,951)	—	—	—	—	—	—	—	—
Common share 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	—	4,382	—	—	—	—	—	—	—	—	—	—	4,382
Changes of net equity of subsidiaries and relevant industries under equity method	—	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	5,800,312	18,821,483	3,115,779	513,302	(1,565,754)	(740,873)	(1,617,512)	(1,188,654)	—	(6,354)	(2,812,520)	(169,861)	20,898,541
Net profit for the period	—	—	—	—	1,035,505	1,035,505	—	—	—	—	—	—	1,035,505
Other comprehensive income (loss)	—	—	—	—	212,620	212,620	(355,882)	79,373	—	—	(276,449)	—	(63,829)
Total comprehensive income (loss)	—	—	—	—	1,248,125	1,248,125	(355,822)	79,373	—	—	(276,449)	—	971,676
Capital surplus cash dividend declared	—	(861,714)	—	—	—	—	—	—	—	—	—	—	(861,714)
Conduction of new stock option for employees	60,625	234,013	—	—	—	—	—	—	—	—	—	—	294,638
Changes of net equity of subsidiaries and relevant industries under equity method	—	5,670,627	—	—	—	—	—	—	—	2,052	2,052	—	5,672,679
Restricted stock awards	60,000	343,200	—	—	—	—	—	—	(283,200)	—	(283,200)	—	120,000
Compensation cost arising from issuance of restricted stock awards from exercising employee	—	—	—	—	—	—	—	—	45,752	—	45,752	—	45,752
Restricted stock awards cancellation	(350)	(1,778)	—	—	—	—	—	—	1,428	—	1,428	—	(700)
Balance at December 31, 2017	$ 5,920,587	24,205,831	311,579	513,302	(317,629)	507,252	(1,973,334)	(1,109,281)	(236,020)	(4,302)	(3,322,937)	(169,861)	27,140,872

Note: Remuneration for 2017 and Jaunary 1 to December 31, 2016 of directors and employees is NT$0.

Parent-Company-Only Statements of Cash Flows

Years ended December 31, 2017 and 2016 (expressed in thousands of New Taiwan dollars)

		2017	2016
Cash flows from operating activities:			
Income (loss) before tax	$	1,025,451	(1,592,884)
Adjustments：			
Adjustments for:			
Depreciation		1,034,098	1,036,737
Amortization		—	—
Provision for (reversal of) allowance for doubtful accounts		—	(565)
Interest expenses		46,537	66,422
Interest income		(35,206)	(11,166)
Dividend income		(14,946)	(13,841)
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees		45,752	4,382
Share of profit or loss of subsidiaries and associates accounted for using equity method		(2,275,232)	(170,432)
Loss from disposal and write-off of property, plant and equipment		(3,568)	5,730
Loss on non-financial asset impairment		—	—
Gain(loss) from financial assets		69,501	452,661
Allowance for inventory valuation and obsolescence loss		(130,275)	(142,367)
Gain(loss) from non-financial assets		—	—
Net loss that does not affect cash flow		(9,837)	22,760
Provision for (reversal of) inventory obsolescence and devaluation loss		—	—
Expense with no effect on cash flow		—	—
Total adjustments to reconcile income (loss) before tax		(1,273,176)	1,535,055
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)		86,970	1,274,882
Inventories		(89,732)	(267,157)
Prepayments for materials		532,935	416,609
Other financial assets and others		11,799	62,400

Total changes in operating assets	541,972	1,486,734
Changes in operating liabilities:		
Notes and accounts payable (including related parties)	(335,349)	(293,868)
Provision	—	—
Revenue received in advance for sales	(18,302)	(89,342)
Accrued pension liabilities	(5,536)	(18,636)
Accrued expenses and other current liabilities	156,808	(78,639)
Total changes in operating liabilities	(202,379)	(480,485)
Total changes in operating assets and liabilities	339,593	1,006,249
Total adjustments	(993,583)	2,541,304
Cash inflow (outflow) generated from operations	91,868	948,420
Interest received	35,206	9,766
Dividend received	14,946	13,841
Interest paid	(47,931)	(65,975)
Income taxes paid	(1,071)	(115,035)
Net cash outflows used in operating activities	93,018	791,017

		2017	2016
Cash flows from investing activities:			
Acquisition of loan to related party	$	(664,114)	(292,969)
Acquisition of financial assets available for sale		—	(280,000)
Acquisition of financial assets carried at cost		—	(9,000)
Acquisition of equity-accounted investees		(449,000)	(296,000)
Acquisition of subsidiaries (excluding cash obtained)		—	—
Acquisition of property, plant and equipment		(241,189)	(1,476,316)
Disposal of property, plant and equipment		17,368	36,897
Dividends from equity-accounted investees		555,732	1,231,465
Increase in restricted certificate of deposit		—	—
Decrease in refundable deposits		—	—
Decrease in restricted assets and refundable deposits		4,831	17,160
Refund from capital reduction of subsidiaries		—	—
Net cash used in investing activities		(776,372)	(1,068,763)
Cash flows from financing activities:			
Increase (decrease) in other payables to related parties		—	—
Increase in short-term borrowings		604,913	610,000
Increase in long-term loans payable		5,710,000	750,000
Repayment of long-term loans payable		(7,090,000)	(624,587)

Payments of cash dividends	(861,714)	(861,714)
Restricted stock awards for employees	120,000	—
Stock option for employees	294,638	—
Proceeds from sales of subsidiaries' equity to non-controlling interest	—	1,704,569
Restricted stock awards cancellation	(700)	—
Treasury stock acquired	—	—
Net cash flows from financing activities	(1,222,863)	1,578,268
Net decrease in cash and cash equivalents	(1,906,217)	1,300,522
Cash and cash equivalents at beginning of year	2,579,645	1,279,123
Cash and cash equivalents at end of year	$ **673,428**	**2,579,645**

Attachment 4

Sino-American Silicon Products Inc.

Appropriation of Profit or Loss Statement

Year 2017

Unit: NTD

Beginning accumulated losses	(1,565,753,744)
Add: Adjustments to the remeasurements of defined benefit plans	212,620,653
Adjusted beginning accumulated losses	(1,353,133,091)
Add: Net income of 2017	1,035,504,164
Deficits not yet compensated as of the year end	(317,628,927)
Add: Capital surplus used to cover accumulated deficits	317,628,927
Balance after the loss compensated	0

Chairman： President： Chief Accountant：

Attachment 5

Sino-American Silicon Products Inc.

Rules and Procedures of Shareholders' Meeting Comparison Chart

Article	Before	After	Remark
5	The Meeting shall be convened by the Chairman 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.	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.	Revise
21		The 5th amendment was made on June 26, 2018.	Add amendment date

Attachment 6

Sino-American Silicon Products Inc.

Policies and Procedures for Financial Derivatives Transactions Comparison Chart

Article	Before	After	Remark
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.	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”: All maximum contract loss should be less than 20% of the contract amount, applicable to specific and all contracts. 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.	Revise
19		The 5th amendment was made on June 26, 2018.	Add amendment date