

Stock Code : 5483



Sino-American Silicon Products Inc.

2015
Annual General Shareholders' Meeting
Meeting Handbook

Time: June 25, 2015

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.
2015 Annual General Shareholders' Meeting Procedure

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

Sino-American Silicon Products Inc.

2015 Annual General Shareholders' Meeting Agenda

Time: 9:00 AM, Thursday, June 25, 2015

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) 2014 Business Report
 - (2) Audit committee's 2014 Review Report
 - (3) 2014 execution status of endorsement and guarantee
 - (4) Establishment of Corporate Social Responsibility Best Practice Principles
 - (5) Amendments of Ethical Corporate Management Best Practice Principles
 - (6) Amendments of Codes of Ethical Conduct
 - (7) Rejection on private placement of common shares after the expiration date
4. Approval Items
 - (1) To approve the 2014 business report and financial statements
 - (2) To approve the proposal of 2014 loss distribution
5. Discussion Items
 - (1) To discuss the proposal of cash dividends distributed from capital reserve
 - (2) To revise Acquisition or Disposal of Assets Procedure
 - (3) To revise Procedures for Endorsement and Guarantee
6. Supplementary Motions
7. Meeting Adjourned

Report Items

Item 1 Fiscal 2014 Business Report submitted for review

Description: Please refer to the Fiscal 2014 Business Report on page 8 of this handbook.

Item 2 Audit Committee's 2014 Review Report submitted for review

Description: Please refer to the Audit Committee's 2014 Review Report on page 13 of this handbook.

Item 3 2014 Endorsement and Guarantee Execution Report submitted for review

Description: The accumulated amount of endorsement/guarantee for GlobalWafers Japan is NT\$139,061,000 in FY 2014.

Item 4 Establishment of Corporate Social Responsibility Best Practice Principles

Description: In order to fulfill their corporate social responsibility initiatives, Sino-American Silicon Products Inc. established these principles to follow after the approval of the board of directors on November 13, 2014. See page 37 of the handbook for the Corporate Social Responsibility Best Practice Principles.

Item 5 Amendments of Ethical Corporate Management Best Practice Principles

Description: Some amendments are made to the Ethical Corporate Management Best Practice Principles after the approval of the board of directors on December 18, 2014 to meet the regulations of the corporate governance. See page 45 of the handbook for the comparison chart.

Item 6 Amendments of Codes of Ethical Conduct

Description: Some amendments are made to the Codes of Ethical Conduct after the approval of the board of directors on December 18, 2014 to meet the regulations of the corporate governance. See page 58 of the handbook for the comparison chart.

Item 7 Rejection on private placement of new common shares after the expiration date, submitted for review.

Description: (1) In accordance with the resolution of shareholder's meeting on June 26, 2014, the capital increase by cash of private placement for less than 60,000,000 common shares was conducted pursuant to Article 43-6 of Security and Exchange Act and Directions for Public Companies Conducting Private Placements of Securities, and shall be suspended on the expiration date of June 26, 2015 until further capital increase is required.

(2) This proposal has been approved by the first audit committee on March 24, 2015 and submitted to the Board of directors for resolution.

Approval Items

Item 1

(Proposed by the Board of Directors)

Proposal: To accept FY 2014 business report and financial statements

Description:

- (1) SAS' 2014 Standalone and Consolidated Financial Statements were audited by KPMG CPAs, Tseng, Mei-Yu, and Huang, Yong-Hwa. The aforementioned and FY 2014 business report have been approved by the audit committee.
- (2) Please refer to the Business Report and the Financial Statements on page 8 and 16 of this handbook.
- (3) Approval requested

Resolution:

Item 2

(Proposed by the Board of Directors)

Proposal: To approve the proposal for 2014 profit distribution

Description:

- (1) As of the beginning of 2014, the Company's retained earnings is NT\$0, setting off amounts written off for 2014 of new share issuance when merging with Sunrise amounting to NT\$685,586,906, the adjustment of actuarial losses 2014 is NT\$50,666,673 and the opening balance of accumulated offset the company net losses amounting to NT\$736,253,579, and then adding net profit after tax amounting to NT\$1,128,444,682. After setting aside the legal reserve amounting to NT\$39,219,110 and special reserve amounting to NT\$352,971,993, consequently, the unappropriated retained earnings is NT\$0.
- (2) In accordance with the aforesaid, no dividends of shareholders, employees and remuneration of directors will be distributed this year.
- (3) See the 2014 Profit Distribution Table at page 36 of this handbook.
- (4) The proposal has been approved by the first meeting of SAS audit committee on March 24th, 2015 and will be sent for acknowledgement of the shareholders' meeting after resolved by the board of directors.
- (5) Resolution requested.

Resolution:

Discussion Items

Item 1

(Proposed by the Board of Directors)

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

Explanation

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

Resolution:

Item 2

(Proposed by the Board of Directors)

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

Description:

- (1) A partial amendment to the Acquisition or Disposal Assets Procedure is proposed in response to the regulation amendment and business needs of the Company.
- (2) For comparison chart of the Acquisition or Disposal Assets Procedure, please refer to page 59 of this handbook.
- (3) This proposal has been approved by 2015 the first committee dated March 24th, 2015 and submitted to the board of directors for resolution.
- (4) Resolution requested.

Resolution:

Item 3

(Proposed by the Board of Directors)

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

Description:

- (1) A partial amendment to the Procedures for Endorsement and Guarantee is proposed in response to the regulation amendment.
- (2) For comparison chart of the Procedures for Endorsement and Guarantee, please refer to page 61 of this handbook.
- (3) This proposal has been approved by 2015 the first committee dated March 24th, 2015 and submitted to the board of directors for resolution.
- (4) Resolution requested.

Resolution:

Supplementary Motions**Meeting Adjourned**

Attachment 1

Sino-American Silicon Products Inc.

Fiscal 2014 BUSINESS REPORT

Dear shareholders,

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

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

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

A. Operation Performance in 2014

1. Operation Performance

Unit: NT\$'000

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

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

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

2. Budget Implementation: No financial forecast for 2014

3. Profitability Analysis

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

4. Financial Structure

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

5. Research & Development Status

1) 2014 Research & Development Expenditure

Unit: NT\$'000

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

2) Research & Development Achievement in 2014

Our technology / products

- (1) A5+ ultra-high efficiency multi-crystal solar wafer

- (2) A5+ multi-crystal furnace hot zone design and simulation technology development
- (3) A5+ high efficiency multi-crystal ingot growth technology
- (4) 800kg multi-crystal ingot growth technology
- (5) Slurry recycle and reuse technology development
- (6) Low power consumption multi-crystal ingot growth technology development

3) Future Plan

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

B. 2015 Operation Guideline

1. Guideline

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

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

C. Sales and Production Policy

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

D. Future Strategy

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

E. Influences from Completion, Regulation and Economy

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

3. Strengthen market diversification and develop products of high differentiation

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

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

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

Attachment 2

Audit Committee Review Audit Report

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

Sino American Silicon Products Inc

Audit Committee Convener:

Ting-Kuo Chen

April 20, 2015

Attachment 3

Sino-American Silicon Products Inc.

Independent Auditors' Audit Report

The board of directors

Sino-American Silicon Products Inc.

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

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

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

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

KPMG

Hsinchu, Taiwan (the Republic of China)

March 30, 2015

Attachment 4

2014 FINANCIAL STATEMENTS

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Financial Position

December 31, 2014 and 2013

(expressed in thousands of New Taiwan dollars)

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

SINO-AMERICAN SILICON PRODUCTS INC.

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

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

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

SINO-AMERICAN SILICON PRODUCTS INC.

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

Years ended December 31, 2014 and 2013

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

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

SINO-AMERICAN SILICON PRODUCTS INC.

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

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

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

See accompanying notes to consolidated financial statements.

SINO-AMERICAN SILICON PRODUCTS INC.

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

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

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

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Cash Flows

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

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

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

SINO-AMERICAN SILICON PRODUCTS INC.

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

Years ended December 31, 2014 and 2013

(expressed in thousands of New Taiwan dollars)

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

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

Independent Auditors' Report

The Board of Directors

Sino-American Silicon Products Inc.

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

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

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

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

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

KPMG

Hsinchu, Taiwan (the Republic of China)

March 30, 2015

SINO-AMERICAN SILICON PRODUCTS INC.

Consolidated Statements of Financial Position

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

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

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES

Consolidated Statements of Financial Position

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

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

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES

Consolidated Statements of Profit or Loss and Other Comprehensive Income

Years ended December 31, 2014 and 2013

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

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

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

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

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

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

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

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

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

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

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (continued)

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

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

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

Attachment 5

Sino-American Silicon Products Inc.

2014 PROFIT DISTRIBUTION TABLE

(Unit: NT\$)

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

Chairman:

President:

Chief Account:

Attachment 6

Sino-American Silicon Products Inc.

Corporate Social Responsibility Best Practice Principles

Chapter I General Principles

Article 1

In order to fulfill their corporate social responsibility initiatives and to promote environmental, and social advancement for purposes of sustainable development, Sino-American Silicon Products Inc. (hereinafter the “Company”) adopts the Principles to be follow.

The Principles applies to the company, including the entire operations of each such company and its business group.

Article 2

The company actively fulfill its corporate social responsibility in the course of its business operations so as to follow the international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.

Article 3

In fulfilling corporate social responsibility initiatives, the company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

Article 4

To implement corporate social responsibility initiatives, the company is advised to follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate social responsibility information.

Article 5

The company shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving corporate social responsibility, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

Article 6

The directors of a the company shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.

The board of directors of the company is advised to include the following matters in the company's performance of its corporate social responsibility initiatives:

1. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;
2. Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives;
3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 7

For the purpose of managing corporate social responsibility initiatives, the company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

Article 8

The company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Article 9

For the purpose of managing corporate social responsibility initiatives, the company shall establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The company shall adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.

Article 10

The company shall on a regular basis, organize training on business ethics and promotion of matters prescribed in the preceding Article.

Chapter 3 Fostering a Sustainable Environment

Article 11

The company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12

The company shall endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13

The company shall establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business

operations on the natural environment.

2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 14

The company shall establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15

The company shall take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16

To improve water use efficiency, the company shall properly and sustainably use water resources and establish relevant management measures.

The company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17

The company shall adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.

The company shall monitor the impact of climate change on their operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon their operations and the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of their business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 18

The company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes.

Article 19

The company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20

The company is advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The company is advised to organize training on safety and health for their employees on a regular basis.

Article 21

The company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

The company shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22

The company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

Article 23

The company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24

The company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 25

The company shall assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.

Prior to engaging in commercial dealings, the company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the company enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 26

The company shall evaluate the impact of their business operations on the community, and

adequately employ personnel from the location of the business operations, to enhance community acceptance.

The company is advised to, through commercial activities, non-cash property endowments, volunteering service or other charitable professional services, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Article 27

The company shall disclose information according to relevant laws and regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which the company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing the corporate social responsibility initiatives established by the companies, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to corporate social responsibility initiatives.

Article 28

The company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.

4. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 29

The company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 30

After the principles are approved by the Board of Directors, the principles shall be submitted to the Shareholders Meeting. Any amendment is subject to the same procedure.

Article 31

The principles were enacted on November 13th, 2014.

Attachment 7

Sino-American Silicon Products Inc.

Comparison Chart of Ethical Corporate Management Best Practice Principles

Article	Before	After	Remark
2	When engaging in commercial activities, directors, managers, employees of the company or persons having substantial control over such companies ("substantial controllers") ...	When engaging in commercial activities, directors, managers, employees <u>and mandataries</u> of the company or persons having substantial control over such companies ("substantial controllers") ...	Revise
6	<p>The company shall, <u>in accordance with the operational philosophies and policies prescribed in the preceding article, establish in its own ethical corporate management best practice principle comprehensive</u> programs to forestall unethical conduct ("prevention program"), including operational procedures, guidelines and training.</p> <p>Omit...</p> <p>In the course of developing the prevention program, the company is advised to negotiate with staff, labor unions or members <u>of other representative institutions, and consult or negotiate with relevant interested parties.</u></p>	<p>The company shall <u>in their own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the</u> programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.</p> <p>Omit...</p> <p>In the course of developing the prevention programs, the company is advised to negotiate with staff, labor unions members, <u>important trading counterparties, or other stakeholders.</u></p>	Revise
7	Omit...	<p>Omit...</p> <p><u>5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other</u></p>	Add new content

		intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.	
8	<p>The company and the respective business group shall clearly specify ethical corporate management policies in the rules and external documents. The board of directors and the management level shall undertake to rigorously and thoroughly enforce such policies for internal management and external commercial activities.</p>	<p>The company and their respective business group shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the board of directors and the management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p>	Revise
9	<p>The company shall engage in commercial activities in a fair and transparent manner.</p> <p>Prior to any commercial transactions, the company shall take into consideration the legality of their agents, suppliers, clients or other trading counterparties, and their records of unethical conduct, if any. The company shall not have any dealings with persons who have any records of unethical conduct.</p> <p>When entering into contracts with other parties, the company shall include in such contracts provisions demanding ethical corporate management policy compliance and that in the event</p>	<p>The company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.</p> <p>Prior to any commercial transactions, the company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.</p> <p>When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the company shall include in such contracts terms requiring compliance with ethical corporate</p>	Revise

	the trading counterparties are suspected of engaging in unethical conduct, the company may at any time terminate or cancel the contracts.	management policy and that in the event the trading counterparties are involved in unethical conduct, the company may at any time terminate or rescind the contracts.	
10	When conducting business, the company and its directors, managers, employees and substantial controllers, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, including rebates, commissions, grease payments, or offer or accept improper benefits in other ways to or from clients, agents, contractors, suppliers, public servants, or other interested parties, unless the laws of the territories where the companies operate permit so.	When conducting business, the company and its directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.	Revise
11	When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the company and its directors, managers, employees and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the company and its directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	Revise
12	When making or offering donations and sponsorship, the company and its directors, managers, employees and	When making or offering donations and sponsorship, the company and its directors, supervisors, managers,	Revise

	substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	employees , mandataries , and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	
13	The company and its directors, managers, employees and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	The company and its directors, supervisors, managers, employees, mandataries , and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	Revise
14		Article 14 The company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	Add new content
15		Article 15 The company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by	Add new content

		<u>allocating customers, suppliers, territories, or lines of commerce.</u>	
16		<u>Article 16</u> <u>In the course of research and development, procurement, manufacture, provision, or sale of products and services, the company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.</u>	Add new content
17	<p>Former Article 14</p> <p>The board of directors of the company shall exercise the due care of good administrators to urge the company to prevent</p>	<u>Article 17</u> The directors, <u>managers, employees, mandataries, and substantial controllers</u> of the company shall exercise the due	Revise and Adjust article order

	<p>unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the audit department is in charge of enforcing the ethical corporate management policies and prevention program and reporting to the board of directors on a regular basis.</p>	<p>care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the company shall establish a <u>dedicated unit</u> that is under the board of directors and responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. <u>The dedicated unit shall be in charge of the following matters</u>, and shall report to the board of directors on a regular basis:</p> <ol style="list-style-type: none"> 1. <u>Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</u> 2. <u>Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</u> 3. <u>Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business</u> 	
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		<p>scope which are possibly at a higher risk for unethical conduct.</p> <p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	
18	<p>Former Article 15</p> <p>The company and its directors, managers, employees and substantial controllers shall comply with laws and regulations and the prevention program when conducting business.</p>	<p>Article 18</p> <p>The company and its directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	Revise and Adjust article order
19	<p>Former Article 16</p> <p>The company shall promulgate policies for preventing conflicts of interests and offer appropriate means for directors and managers to voluntarily explain whether their interests would potentially conflict with those of the company.</p> <p>The company's directors shall exercise a high degree of self-discipline, a director may present his opinion and answer relevant questions but is</p>	<p>Article 19</p> <p>The company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.</p> <p>When a proposal at a given board</p>	Revise and Adjust article order

	<p>prohibited from participating in discussion of or voting on any proposal where the director or the juristic person that the director represents is an interested party, and such participation is likely to prejudice the interests of the company; neither shall a director vote on such proposal as a proxy of another director in such circumstances. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>The company's directors and managers shall not take advantage of their positions in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	<p>of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of the company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>The company's directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	
20	<p>The company shall establish effective accounting systems and internal control systems for business activities which may at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep</p>	<p>Article 20</p> <p>The company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have</p>	<p>Revise and Adjust article order</p>

	<p>secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.</p> <p>Internal auditors shall irregularly examine the companies' compliance with the foregoing and prepare audit reports and submit the same to the board of directors.</p>	<p>under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.</p> <p>The internal audit unit of the company shall periodically examine the company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p>	
21	Former Article 18	Article 21	Adjust article order
22	<p>Former Article 19</p> <p>The company shall irregularly organize training and awareness programs for directors, managers, employees, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention program and the consequences of committing unethical conduct. The company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	<p>Article 22</p> <p>The chairperson, general manager, or senior management of the company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</p> <p>The company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.</p>	Revise and Adjust article order

		The company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.	
23	<p>Former Article 20</p> <p>The company shall have in place a formal channel for receiving reports on unethical conduct and keep the reporter's identity and content of the report confidential. The company shall establish a well-defined disciplinary and complaint system to handle violation of the ethical corporate management rules, and immediately disclose on the company's internal website the offender's job title, name, date the violation was committed, violating act and how the matter was handled.</p>	<p><u>Article 23</u></p> <p><u>The company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</u></p> <ol style="list-style-type: none"> <u>1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.</u> <u>2. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</u> <u>3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</u> <u>4. Confidentiality of the identity of whistle-blowers and the content of reported cases.</u> <u>5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their</u> 	Revise and Adjust article order

		whistle-blowing. 6. Whistle-blowing incentive measures. When material misconduct or likelihood of material impairment to the company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.	
24	Former Article 20 Item 2	Article 24 The company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.	Revise and Adjust article order
25	Former article 21 The company shall disclose the status of the enforcement of ethical corporate management best practice principles on the company website, annual report and prospectus.	Article 25 The company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best	Revise and Adjust article order

		practice principles on the Market Observation Post System.	
26	<p>Former Article 22</p> <p>The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management, and encourage directors, managers and employees to make suggestions so as to review and improve their ethical corporate management best practice principles and achieve better results from implementing the principles.</p>	<p>Article 26</p> <p>The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	Revise and Adjust article order
27	<p>Former Article 23</p> <p>The ethical corporate management best practice principles shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.</p>	<p>Article 27</p> <p>The ethical corporate management best practice principles of each the company shall be implemented after the board of directors grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p>For the company that has appointed any independent director, when the ethical corporate management best practice principles are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an</p>	Revise and Adjust article order

		<u>independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</u>	
28	<p>Former Article 24</p> <p>The Procedures were enacted on May 7, 2013.</p> <p>The Procedures were revised on August 12, 2014.</p>	<p><u>Article 28</u></p> <p>The Procedures were enacted on May 7, 2013.</p> <p>The Procedures were revised on August 12, 2014.</p> <p><u>The Procedures were revised on December 18, 2014.</u></p>	<p>Add amendment date and Adjust article order</p>

Attachment 8

Sino-American Silicon Products Inc.

Comparison Chart of Codes of Ethical Conduct

Article	Before	After	Remark
15	The company's code of ethical conduct, and any amendments to it, shall enter into force after being approved by board of directors	The company's code of ethical conduct, and any amendments to it, shall enter into force after being approved by the audit committee and board of directors, and submitted to the share holders' meeting.	Revise
16	The Procedures were enacted on May 7, 2013. The Procedures were revised on August 12, 2014.	The Procedures were enacted on May 7, 2013. The Procedures were revised on August 12, 2014. The Procedures were revised on December 18, 2014.	Add amendment date

Attachment 9

Sino-American Silicon Products Inc.

Comparison Chart of Acquisition or Disposal of Assets Procedure

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

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

Attachment 10

Sino-American Silicon Products Inc.

Comparison Chart of Procedures for Endorsement and Guarantee

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

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.

Article5-1

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 NT\$10,000,000,000, divided into 1,000,000,000 shares, at NT\$10 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 profit as a result of the yearly accounting closing, it will be distributed in accordance with the following:

To make up for the previous loss;

10% of annual income retained as legal reserve until such retention equals the amount of authorized common stock;

To distribute or reverse special earning reserve according to the law or competent authority;

After deducting item (1)-(3), the remaining balance of annual income, if any, can be distributed at most 3% as remuneration to Directors and at least 5% as employee bonuses, the rest plus the accumulated undistributed earnings of the previous period of the profit shall be as dividends to stockholders.

In order to keep sustainable development for the Company and continuous growth on earnings per share, the cash dividends for shareholders shall be no less than 50% of the dividends for shareholders.

Employees entitled to stock bonus may include subsidiaries' employees that meet certain criteria set by the board of directors.

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
Implement after approvals from the meeting of stockholders

Appendix 3

Sino-American Silicon Products Inc.

Ethical Corporate Management Best Practice Principles

Article 1 (Purpose and Basis)

The Ethical Corporate Management Best Practice Principles ("Principles") is promulgated to assist the company to foster a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices.

The Principles are applicable to business groups and organizations of the company, which comprise its subsidiaries, any foundation to which the company's direct or indirect contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by such company ("business group").

Article 2 (Ethical Conduct)

When engaging in commercial activities, directors, managers, employees of the company or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, managers, employees or substantial controllers or other interested parties.

Article 3 (Definition of Benefit)

"Benefits" in the Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 (Compliance with Laws and Regulations)

The company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM-listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 (Policy)

The company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control

and management mechanism so as to create an operational environment for sustainable development.

Article 6 (Prevention Program)

The company shall, in accordance with the operational philosophies and policies prescribed in the preceding article, establish in its own ethical corporate management best practice principle comprehensive programs to forestall unethical conduct ("prevention program"), including operational procedures, guidelines and training.

When establishing the prevention program, the company shall comply with relevant laws and regulations of the territory where the companies and their business group are operating.

In the course of developing the prevention program, the company is advised to negotiate with staff, labor unions or members of other representative institutions, and consult or negotiate with relevant interested parties.

Article 7 (Preventive Range)

When establishing the prevention program, the company shall analyze which business activities within the business scope which may be at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures.

The prevention program established by the company shall at least include preventive measures against the following:

Offering and acceptance of bribes.

Illegal political donations.

Improper charitable donations or sponsorship.

Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.

Article 8 (Promise and Enforcement)

The company and the respective business group shall clearly specify ethical corporate management policies in the rules and external documents. The board of directors and the management level shall undertake to rigorously and thoroughly enforce such policies for internal management and external commercial activities.

Article 9 (Commercial activities)

The company shall engage in commercial activities in a fair and transparent manner.

Prior to any commercial transactions, the company shall take into consideration the legality of their agents, suppliers, clients or other trading counterparties, and their records of unethical conduct, if any. The company shall not have any dealings with persons who have any records of unethical conduct.

When entering into contracts with other parties, the company shall include in such contracts provisions demanding ethical corporate management policy compliance and that in the event the trading counterparties are suspected of engaging in unethical conduct, the company may at any time terminate or cancel the contracts.

Article 10 (No Bribery)

When conducting business, the company and its directors, managers, employees and substantial controllers, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, including rebates, commissions, grease payments, or offer or accept improper benefits in other ways to or from clients, agents, contractors, suppliers, public servants, or other interested parties, unless the laws of the territories where the companies operate permit so.

Article 11 (No Political Donation)

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the company and its directors, managers, employees and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 (No Inappropriate Donation/Sponsorship)

When making or offering donations and sponsorship, the company and its directors, managers, employees and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13 (Unreasonable Present/Hospitality/benefits)

The company and its directors, managers, employees and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 (Organization and Responsibility)

The board of directors of the company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the audit department is in charge of enforcing the ethical corporate management policies and prevention program and reporting to the board of directors on a regular basis.

Article 15 (Obligation)

The company and its directors, managers, employees and substantial controllers shall comply with laws and regulations and the prevention program when conducting business.

Article 16 (Conflicts of Interests)

The company shall promulgate policies for preventing conflicts of interests and offer appropriate means for directors and managers to voluntarily explain whether their interests would potentially

conflict with those of the company.

The company's directors shall exercise a high degree of self-discipline, a director may present his opinion and answer relevant questions but is prohibited from participating in discussion of or voting on any proposal where the director or the juristic person that the director represents is an interested party, and such participation is likely to prejudice the interests of the company; neither shall a director vote on such proposal as a proxy of another director in such circumstances. The directors shall practice self-discipline and must not support one another in improper dealings.

The company's directors and managers shall not take advantage of their positions in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 17 (Accounting and Internal Audit)

The company shall establish effective accounting systems and internal control systems for business activities which may at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

Internal auditors shall irregularly examine the companies' compliance with the foregoing and prepare audit reports and submit the same to the board of directors.

Article 18 (Procedure and Guideline)

The company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

Standards for determining whether improper benefits have been offered or accepted.

Procedures for offering legitimate political donations.

Procedures and the standard rates for offering charitable donations or sponsorship.

Rules for avoiding work-related conflicts of interests and how they should be reported and handled.

Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.

Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.

Handling procedures for violations of the Principles.

Disciplinary measures on offenders.

Article 19 (Training and Evaluation)

The company shall irregularly organize training and awareness programs for directors, managers, employees, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention program and the consequences of committing unethical conduct.

The company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward

and discipline system.

Article 20 (Report and discipline)

The company shall have in place a formal channel for receiving reports on unethical conduct and keep the reporter's identity and content of the report confidential.

The company shall establish a well-defined disciplinary and complaint system to handle violation of the ethical corporate management rules, and immediately disclose on the company's internal website the offender's job title, name, date the violation was committed, violating act and how the matter was handled.

Article 21 (Disclosure)

The company shall disclose the status of the enforcement of ethical corporate management best practice principles on the company website, annual report and prospectus.

Article 22 (Improvement)

The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management, and encourage directors, managers and employees to make suggestions so as to review and improve their ethical corporate management best practice principles and achieve better results from implementing the principles.

Article 23

The ethical corporate management best practice principles shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.

Article 24

The Procedures were enacted on May 7, 2013.

The Procedures were revised on August 12, 2014.

Appendix 4

Sino-American Silicon Products Inc.

Codes of Ethical Conduct

Article 1 (Purpose and Basis)

In order to encourage directors, managers and other staff to act in line with ethical standards, and to help interested parties better understand the ethical standards of the company, "Codes of Ethical Conduct" ("Code") is promulgated according to "Guidelines for the Adoption of Codes of Ethical Conduct by TWSE/GTSM Listed Companies" of Taiwan Stock Exchange Corporation as a reference to follow.

Article 2 (Application)

The Code is applicable to directors, managers and other staff, herein referred to as the SAS staff.

Article 3 (Honest and Trust)

The SAS staff should proactively improve, be responsible and conscientious, emphasize team spirit, and holding the principle of honest and trust.

Article 4 (Prevention of Conflicts of Interest)

The SAS staff shall perform their duties in an objective and efficient manner, avoid taking advantage of their position in the company to obtain improper benefits for below:

Themselves or their spouse, parents, children, or relatives within the third degree of kinship.

Company or enterprise that will financially benefit from the abovementioned either directly or indirectly.

Company or enterprise of which the director or manager serve as a chairman, directors or authorizing managers.

The company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director or manager works.

Article 5 (Minimizing Incentives to Pursue Personal Gain)

When the company has an opportunity for profit, the SAS staff should protect and increase reasonable and proper benefits for the company, and prevent following activities:

Seeking an opportunity to pursue benefit whether for self or for others by using company property, information or taking advantage of their positions.

Obtaining personal benefit whether for self or for others by using company property, information or taking advantage of their positions.

Competing with the company.

When the company has an opportunity for profit, it is the responsibility of the SAS staff to maximize

the reasonable and proper benefits that company can obtained.

Article 6 (Confidentiality)

The SAS staff shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.

Article 7 (Fair Trade)

The SAS staff shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

In carrying out duties, the SAS staff shall not be allowed to request, periodically arrange, make payment or receive any form of gift, entertainment, rebate, bribe, or derive any other improper benefits whether personally, on behalf of the company nor for the third parties' benefit.

Article 8 (Safeguarding and Proper Use of Company Assets)

All the SAS staff has the responsibility to safeguard company assets and to ensure that these assets can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability.

Article 9 (Compliance with Laws and Regulations)

All the SAS staff shall comply with and propagate Securities and Exchange Act and other regulations regarding corporal operation, shall not violate any law or regulation on purpose, nor intentionally mislead, manipulate, unfair trade with suppliers and customers, declare fraudulent information about the quality or contents of the company's products or service.

Article 10 (Encouraging Reporting on Illegal or Unethical Activities)

The company shall raise awareness of ethics internally and encourage employees to report to a company audit committee, manager, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct, and employees should provide enough information for company to properly deal with. The company shall handle the cases in confidentiality and make employees aware that the company will use its best efforts to ensure the safety of informants.

Article 11 (Disciplinary Measures and Remedy)

When a director or manager violates the code of ethical conduct, the company shall handle the matter in accordance with relevant regulations, and shall without delay disclose on the Market Observation Post System (MOPS) the name and title of the violator, dates and reasons for the

violation, the provisions of the code violated, and the disciplinary actions taken. If the violator considers the discipline is improper and impacts his/her legal rights, the violator can appeal via complaint system for remedy.

Article 12 (Procedures for Exemption)

If any director or manager is necessary to be exempted from compliance with the code, the exemption requires board resolution, and that information on the name and title of the person entitled to such exemption, the date on which the board of directors adopted the resolution for exemption, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to avoid any arbitrary or dubious exemption from the code, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

Article 13 (Method of Disclosure)

The company shall disclose the code of ethical conduct and any amendment in the annual report, prospectuses and MOPS.

Article 14 (Supplementary)

Any incomplete in the code shall be proceeded in accordance with relative laws and regulations.

Article 15 (Enforcement)

The company's code of ethical conduct, and any amendments to it, shall enter into force after it has been approved by the board of directors.

Article 16 (Modification Date)

The Procedures were enacted on May 7, 2013.

The Procedures were revised on August 12, 2014.

Appendix 5

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:

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.

Tangible (including land, housing and construction, investment real estate, usage rights of the land, stock and equipment of the construction) and fixed assets.

Memberships

Patents, copyrights, trademarks, franchise rights, and other intangible assets.

Claims of financial institutions (e.g. receivables, bills purchased and discounted, loans, and past due receivables)

Derivatives

Asset acquired or disposed through merger, acquisition, spin-off, and share transfer

Other major assets

Article 3

Operating procedures

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.

The Company's acquisition or disposal of assets shall be made in accordance with the Procedure.

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.

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

The Company should proceed Acquisition or Disposal of Assets according to Article 8 of the procedure.

Acquisition or disposal of long-term securities and fixed assets whose value under 100 million shall be approved by Chairman.

Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under 100 million shall be approved by President.

Other fixed assets shall refer POA for authority.

Acquisition or Disposal of Assets shall proceed according to Article 8 of the procedure.

Article 5

Public disclosure

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:

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.

Merger, acquisition, spin-off and share transfer

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

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

Government bond

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

Operational used equipment not exceeding NT\$ 500,000,000 and not purchased from related party.

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 NT\$ 500,000,000..

Calculation criteria

Per transaction amount

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

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

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

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.

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.

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.

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:

The executed relevant contracts of the original transaction have been changed, terminated or

ceased.

Mergers, splits, acquisition or shares transference have not been completed in accordance to the anticipated timeframe set in the contracts.

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 NT\$ 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: 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.

Obtain more than 2 professional appraisals if the transaction amount is more than NT\$ 1,000,000,000.

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:

Variation of the appraisal result and the transaction amount is more than 20%

Variation of the 2 appraisal result is 10% or more than the transaction amount.

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 NT\$ 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

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.

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:

The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.

Reasons of determination of the related persons as the transaction party

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

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

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

An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.

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 a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

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.\

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.

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.

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:

The related party acquired the real estate due to succession or gift.

The lapse between the date of acquisition of real estate and the date of the transaction has been more than five years.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

Supervisors shall handle the matter pursuant to Article 218 of Company Act.

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.

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.

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.

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:

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.

An action, such as a disposal of major assets, which affects the Company's financial operations.

An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.

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.

An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares.

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:

Handling of breach of contract.

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.

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.

The manner of handling changes in the number of participating entities or companies.

Preliminary progress schedule for plan execution, and anticipated completion date.

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:

The Company's subsidiary shall adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Procedures.

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.

"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.

The term "subsidiary" as used in these procedures, means following companies directly or indirectly controlled by the Company throughout the country or overseas:

the invested Company in which the Company directly holds more than 50% issued voting shares
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.

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.

Appendix 6

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:

Any company who has business association with the Company.

Any subsidiary whose voting shares are fifty percent (50%) or more owned directly and indirectly by the Company

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:

Financing endorsement and/or guarantee, including:

Endorsement/guarantee to customers' notes for cash financing with a discount;

Endorsement/guarantee for another company for its financing needs;

Endorsement/guarantee to the notes issued by the Company to non-financial institutions and entities for the Company's own financing needs.

Endorsement/guarantee of customs duties due from the Company.

Other endorsements/guarantees which are not included under paragraphs 1 and 2.
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:

The aggregate amount of endorsement/guarantee provided by the Company is limited to fifty percent (50%) of its net worth.

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.

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.

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

The Company shall make an announcement on the balance of endorsement and/or guarantee in MOPS before the 10th of each month.

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.

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.

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.

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.

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.

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.

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 and such endorsement/guarantee shall be reported to the most upcoming Shareholders' Meeting for ratification.

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

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.

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

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.

The Finance Department shall make an impact assessment based on the possibility of operation risk. The items to be evaluated include:

The necessity and reasonableness of the endorsement and guarantee.

Whether the endorsed amount is necessary in the light of the financial status of the company endorsed or guaranteed.

Whether the accumulated amount of endorsement and guarantee is still within the limit.

Whether the collateral shall be acquired and the assessed value of the collateral.

The possibility of harming the Company's equity.

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.

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.

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.

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

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.

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

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.

Finance department shall register the cancelled notes into the registry to reduce the accumulated amount of the endorsement.

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

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.

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.

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.

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 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 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

Appendix 7

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 27, 2015 as the table shown below.

Position	Name	Shareholdings	Note
Chairman	Ming-Kung Lu	10,950,000	
Vice Chairman	Tang-Liang Yao	1,738,395	
Director	Hsiu-Lan Hsu	1,706,085	
Director	Kang-Hsin Liu.	0	
Director	Chin-Lung Chang	0	
Director	Wen-Huei Tsai	3,033,191	
Director	K.C. Hsu	524,759	
Director	Mao-Yang Co.,Ltd	3,333,639	Representative: Tieh-Chih Sun
Director	Kai-Chiang Company	710,000	Representative: Hau Fang
Director	Kun Chang Investment Co.	2,202,100	Representative: May-Yuan Chang
Director	Pan Asia Solar, Ltd. Representative	13,893,888	Representative: Szpitalak Ted
Independent Director	Ting-Ko Chen	0	
Independent Director	Hsing-Hsien Lin	0	
Independent Director	Angela Huang	0	
Total (Directors and Supervisors)		38,092,057	Met required shareholding

Appendix 8

Sino-American Silicon Products Inc.

Information on Employee Profit Sharing and Regular Compensation for Directors and Supervisors

The Board adopted a proposal of the distribution for employee bonus and remunerations for Directors in the following manners:

If the Company has profit as a result of the yearly accounting closing, it will be distributed in accordance with the following:

To make up for the previous loss

10% of annual income retained as legal reserve until such retention equals the amount of authorized common stock

To distribute or reverse special earning reserve according to the law or competent authority

After deducting item (1)-(3), the remaining balance of annual income, if any, can be distributed at most 3% as remuneration to Directors and at least 5% as employee bonuses, the rest plus the accumulated undistributed earnings of the previous period of the profit shall be as dividends to stockholders.

In order to keep sustainable development for the Company and continuous growth on earnings per share, the cash dividends for shareholders shall be no less than 50% of the dividends for shareholders.

Employees entitled to stock bonus may include subsidiaries' employees that meet certain criteria set by the board of directors.

Amount and related information of Board's resolution of employee bonus and remunerations for Directors:

No allocation for employee stock bonus nor Directors' remuneration will be distributed.

Distribution of cash bonuses or stock bonuses to employees, and remuneration to directors. If there is any discrepancy between such an amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, reasons therefore, and how it is treated shall be disclosed: Not applicable.

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 17 to April 28, 2015. The Company has made a public announcement on MOPS.
3. One proposal from No.65832 with other four shareholders of altogether 1% shareholding
4. Review date of BOD: May 5th, 2015
5. Reason why the proposal is not listed: the number of words exceeds 300 words