

Stock Code : 5483



Sino-American Silicon Products Inc.

2019
Annual General Shareholders' Meeting
Meeting Handbook

Time: June 27, 2019

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.
2019 Annual General Shareholders' Meeting Procedure

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

Sino-American Silicon Products Inc.

2019 Annual General Shareholders' Meeting Agenda

Time: 9:00 a.m., Thursday, June 27, 2019

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) 2018 business report
 - (2) Audit committee's report on 2018 budgets
 - (3) Distribution report on 2018 compensation for employees and directors
 - (4) Report on rejection on private placement of common shares after the expiration date
 - (5) Amendments to "Codes of Ethical Conduct"
 - (6) Amendments to "Procedures for Ethical Management and Guidelines for Conduct"
 - (7) Report on excess loan amount of its subsidiary, also sloar
4. Approval Items
 - (1) 2018 business report and financial statements
 - (2) 2018 profit distribution
5. Discussions
 - (1) Cash dividend distribution from capital reserve
 - (2) Amendments to the "Articles of Incorporation"
 - (3) Amendments to the "Acquisition or Disposal of Assets Procedures"
 - (4) Amendments to the "Policies and Procedures for Financial Derivatives Transactions"
 - (5) Amendments to the "Procedures for Lending Funds to other Parties"
 - (6) Amendments to the "Procedures for Endorsement and Guarantee"
 - (7) Issuance of new shares through GDR or Private Placement
6. Extempore Motion
7. Meeting Adjourned

Report Items

- Item 1** 2018 Business report
Please refer to the Fiscal 2018 Business Report as attached in this handbook.
- Item 2** Audit committee's report on 2018 budgets
Please refer to the Audit Committee's 2018 Review Report as attached in this handbook.
- Item 3** Distribution report on 2018 compensation for employees and directors
(1) The company 2018 earning (before deducting remuneration to employees and directors from Profit before Tax) is NT\$ 2,201,756,786. Pursuant to Article 27 of Articles of Incorporation, if the Company is profitable at the end of each fiscal year, 3~15% of the profit shall be appropriated for the employees' remuneration and no more than 3% shall be appropriated for directors' remuneration.
(2) The Company is proposed to distribute NT\$131,990,000 to employees (distribution ratio 5.99%) and NT\$44,010,000 to directors (distribution ratio 2%). Distribution to both employees and directors shall be paid in cash.
(3) Employees' remuneration shall be paid in accordance with article 27 of the articles of association, the amount of which shall be comprehensively considered with reference to seniority, rank, work performance, overall contribution or special merit and shall be solely handled by the chairman. Qualification requirements of employees entitled to receive remuneration are based on Article 27 of Articles of Incorporation. Remuneration amount shall be determined by the chairman after consideration to employees' seniority, position, work performance, overall contribution or special dedication etc.
- Item 4** Rejection on the private placement of common shares after the expiration date
According to the resolution of AGM on June 26, 2018 and Article 43-6 of Securities Exchange Act, new shares within the issuance of 85,000,000 shares will be expired on June 26, 2019. Rejection will be conducted from the expiration date.
- Item 5** Amendments to "Codes of Ethical Conduct"
In compliance with laws and operation need of the Company, amendments have been made to the "Codes of Ethical Conduct."
Please refer to the comparison chart of the "Codes of Ethical Conduct" as attached in this handbook.

- Item 6** Amendments to “Procedures for Ethical Management and Guidelines for Conduct”
In compliance with the operation need of the Company, amendment has been made to the “Procedures for Ethical Management and Guidelines for Conduct.”
Please refer to the comparison chart of the “Procedures for Ethical Management and Guidelines for Conduct” as attached in this handbook.
- Item 7** Report on excess loan amount of the subsidiary, aleo solar
(1) In accordance with the letter from the FMC dated November 13, 2018, the loan from the subsidiary Aleo solar to its 100% owned subsidiary Aleo sunrise was over-limit stipulated in the regulations. The Company shall quarterly announce the improvement status for the over-limit of the subsidiary to the board of directors, and report the implementation at the latest shareholders' meeting.
(2) The Company purchased 100% equity of Aleo sunrise from Aleo solar, and increased the capital of Aleo sunrise through debt-for-stock method to pay off Aleo sunrise's arrears to Aleo solar. The equity transfer and related accounts have been completed. There is no capital loan on aleo solar's account to aleo sunrise, and the problem of over-limit has been improved and completed

Approval Items

Item 1 (Proposed by the Board of Directors)

Motion: To accept FY 2018 business report and financial statements

- (1) The SAS 2018 Financial Statements (consolidated and standalone) were audited by KPMG CPAs, Cheng-chien Chen and Ann-chih Cheng. The aforementioned and FY 2018 business report have been approved by the audit committee.
- (2) Please refer to the Business Report and the Financial Statements as attached in this handbook.
- (3) Approval requested

Resolution:

Item 2 (Proposed by the Board of Directors)

Motion: To approve the 2018 profit distribution proposal

- (1) As of the beginning of 2018, the Company's accumulated profit is NT\$1,950,503,835. A proposal recommending a cash dividend of NT\$2.3145 is proposed with a totaled amount of NT\$1,356,962,768.

- (2) In accordance with the aforesaid, it is proposed that the ex-dividend date be July 29th, 2019 and August 16th, 2019 the distribution date. The dividend will be distributed cash rounding to dollar unit according to the ratio of the shareholders register by the record date. The total amount of the odd distribution below NT\$1 will be included in other income.
- (3) In the event that the proposed profit 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 chairman shall be authorized to adjust the cash and stock to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.
- (4) See the 2018 profit distribution as attached in this handbook.
- (5) Resolution requested

Resolution:

Discussion Items

Item 1

(Proposed by the Board of Directors)

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

Description:

- (1) The Company plans to distribute cash dividend through capital reserve of NT\$401,900,185. The distribution ratio is determined by the holding ratio of shareholders in the register of shareholders on the record date of the distribution. Each share will be distributed NT\$0.6855 cash dividend.
- (2) Upon the approval of the Annual General Meeting, the distribution record date will fall on July 29, 2019 and the dividend distribution day on August 16, 2019. The capital premium will be distributed cash rounding to dollar unit. The total amount of the odd distribution below NT\$1 will be included in other income.
- (3) In the event that the proposed capital reserve distribution is affected by a buyback of shares, or issuance or cancellation of transferring treasury shares to employees and execution of warrant etc., it is proposed that the chairman is authorized to distribute the total amount of the capital reserve according to this proposal.
- (4) Resolution requested.

Resolution:

Item 2

(Proposed by the Board of Directors)

Motion: Amendment to the “Articles of Incorporation”

- (1) In compliance with the Company Act and the operation need of the Company, amendments have been made to the “Articles of Incorporation.”

Please refer to the comparison chart of the Articles of Incorporation as attached in this handbook.

- (2) Resolution requested

Resolution:

Item 3

(Proposed by the Board of Directors)

Motion: Amendment to the “Acquisition or Disposal of Assets procedures”

- (1) In compliance with the laws, amendments have been made to the “Acquisition or Disposal of Assets procedures.”

Please refer to the comparison chart of the Acquisition or Disposal of Assets procedures as attached in this handbook.

- (2) Resolution requested

Resolution:

Item 4

(Proposed by the Board of Directors)

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

- (1) In compliance with the laws, amendment has been made to the “Policies and procedures for Financial Derivatives Transactions.”

Please refer to the comparison chart of the Policies and procedures for Financial Derivatives Transactions as attached in this handbook.

- (2) Resolution requested

Resolution:

Item 5

(Proposed by the Board of Directors)

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

- (1) In compliance with the laws, amendment has been made to the “Procedures for Lending Funds to other Parties.”

Please refer to the comparison chart of the Procedures for Lending Funds to other Parties as attached in this handbook.

(2) Resolution requested

Resolution:

Item 6

(Proposed by the Board of Directors)

Motion: Amendment to the "Procedures for Endorsement and Guarantee"

- (1) In compliance with the laws, amendment has been made to the "Procedures for Endorsement and Guarantee."

Please refer to the comparison chart of the Procedures for Endorsement and Guarantee as attached in this handbook.

- (2) Resolution requested

Resolution:

Item 7

(Proposed by the Board of Directors)

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

Description:

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

Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms.

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

II. Public Application Offering

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

2. The issuance of GDR for the new common shares from cash capital increase:
 - I. Pursuant to the Article 267 of Company Act, 10%-15% of the share issuance will be reserved for employees’ preemptive subscription. For those stocks not subscribed by employees in proportion or as a whole, the chairman of the Board is to be authorized to negotiate with specific parties to purchase the unsubscribed share in common stock or GDR of subscription at the issuing price in accordance with the market development. For the remaining 85%-90% of issuance, based on the Article 28-1 of the Securities and Exchange Act, the board proposes to offer through public application offering for the issuance of GDR according to the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms.
 - II. The issuing price of new common shares for capital increase in cash or the issuing price of GDR for the new common shares from cash capital increase is to be determined based on general practices worldwide and it shall not affect shareholder’s interests. However, the final issuing price is to be determined by the lead underwriter

and the Chairman of the Board who is authorized by the Shareholders' Meeting by referring to market conditions at the time of issuance; also, it must be in compliance with related requirements of competent authorities.

- a. According to the "Disciplinary Rules", the issuing price of the new common shares from cash capital increase may not be lower than 90% of the closing price of common shares at Taipei Exchange on the price determination day or 90% of average closing price of the common shares of the Company for either one, three, or five business days before the price determination date, after adjustment for any distribution of stock/cash dividends or capital reduction. The aforementioned price may adjust when variation occurred in domestic requirements. Since domestic share price may vary excessively within a short period, the Chairman of the Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of international conventions, capital market, domestic share price and overall book building.
- b. For the rights of original shareholders, the issuance of new shares for cash capital increase up to 85,000,000 common shares will have the maximum dilution effect of at 14.50%. The funds raised from the capital increase in cash shall generate sustainable growth in Company's business; reinforce competitiveness, and surely benefit shareholders. GDR issue price is determined according to fair value domestically. Original shareholders may purchase common stock in domestic market at Taipei Exchange for the price close to GDR price, exempting from currency and fluidity risks. There is no huge impact on original shareholders.

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

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

I. The necessity of private placement

- a. The reasons for not taking a public offering:

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

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

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

In response to strategic alliance development or operational funds increase,

overseas purchase, reimbursement of bank loan, purchase of machinery and equipment or reinvestment and any capital needs in the future, single or twice private placement at the maximum can be executed in terms of the market condition in order to bring in long-term funds at appropriate time responding to the rapidly changing industry environment and strengthening the equity structure and competitiveness of the company.

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

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

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

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

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

The price determination above shall follow regulations from government authorities.

III. The method to determine specific parties:

No specific subscriber, selected in accordance with Article 43-6 of Security and Exchange Act, has been appointed for the private placement for common shares. The strategic investors have the priority to be considered as specific parties for private placement to meet the Company's needs on technology cooperation and operation strategy.

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

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

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

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

VI. The issue price of the private placement for common shares (except the markup pricing), issuance conditions, issuance regulations etc. shall be proposed to

authorized the Board to determine all related issues according to any changes in regulation, market or reviews from the authorities.

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

Resolution:

Extempore Motion

Meeting Adjourned

Attachment 1

Sino-American Silicon Products Inc. 2018 Business Report

Dear Shareholders,

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

In 2018, affected by the new solar power subsidy program in the mainland and the China-US trade war, the previously weak solar power industry was even more depressed. In the face of the market demand decline and the drop in both prices and volume, the domestic solar power players are confronted with severe challenges. They try to enhance their operation by reducing production or even laying off. In response to market conditions, the Company, in addition to adjusting production capacity, reducing inventory and adjusting product mix, has carried out appropriate human resources allocation policies to reduced operating risks. In 2018, with the concerted efforts of all colleagues and supplemented by the performance of the subsidiary Globalwafers Group, the operation of Sino-American Silicon Products Inc. was better than that of other peers with the revenue and profits reaching record high. The Group's consolidated revenue for 2018 reached NT\$69,238,950,000, a 16.6% increase over the previous year's NT\$59,371,200,000; the net profit after tax attributable to the parent company was NT\$1,950,500,000; after-tax earnings per share was of NT\$ 3.36.

The operating results in 2018 and the business plan in 2019 are reported as follows:

I. Operating results in 2018

(I) Business plan implementation results

Unit: NT\$'000

Year Item	2018 (IFRSs)	2017 (IFRSs)	Increase/decrease percentage (%)
Operating Revenues	69,238,945	59,371,198	17
Operating Costs	50,597,092	47,967,962	5
Gross Profit	18,641,853	11,403,236	63
Operating Expenses	5,464,348	5,078,234	8
Net Profit (loss)	13,177,505	6,325,002	108
Before-tax Net Profit (loss)	13,318,233	5,125,741	160

Net income (loss)	8,635,480	3,518,628	145
Net income (loss) attributable to the parent company	1,950,503	1,035,505	88

The year of 2018 was a turbulent year for the overall solar power industry. Due to China's new policy on June 1st and the cancellation of European MIP in September, grid parity tends to be realized faster in the application side. As the subsidy is reduced and the overall demand for products turns to monocrystal, polycrystal plants reduce production; small and medium-sized manufacturers with no cost competitiveness withdraw one by one, the global installed capacity being only about 98 GW lower than the 102 GW in 2017. The solar power business of the Company, with continued focus on the conversion efficiency improvement of efficient solar power products in 2018, strengthened cost control, eliminated noncompetitive products, improved financial quality, and actively and prudently select customers and strategic alliances to enhance Operational efficiency and the Company's competitiveness. In the investment business, the Company also made outstanding achievements. The consolidated revenue of the semiconductor subsidiary Globalwafers was NT\$59,063,510,000, the net profit after tax attributable to the parent company was NT\$13,630,670,000, the earnings after tax per share was NT\$31.18.

(II) Budget execution: The Company had no announced financial forecast in 2018.

(III) Financial income and expenditure and profitability analysis

Item		2018	2017
Financial structure	Debt to asset ratio (%)	53.92	51.00
	Long-term capital as a percentage of real estate, plant and equipment (%)	197.21	162.82
Profitability analysis	Return on assets (%)	9.11	4.57
	Return on equity (%)	18.84	9.91
	Percentage in paid-up capital (%)	Operating profit	224.75
		Pre-tax net profit	106.83
	Net profit rate (%)	227.15	86.57
	After-tax earnings per share/loss (NT\$)	12.47	5.93
		3.36	1.80

(IV) Financial income and expenditure

The 2018 revenue is NT\$69,238,945,000. Operating cost is NT\$50,597,092,000. Operating expense is NT\$5,464,348,000. Net profit of non-operating revenue and expenditure

NT\$140,728,000. Net income before tax is NT\$13,318,233,000. Net income after tax is NT\$8,635,480,000. The financial structure is healthy.

(V) R&D

1. R&D expenditure in 2018

Unit: NT\$'000

Item/Year	2018	2017
R&D expenses	1,849,867	1,671,895
Net operating revenues	69,238,945	59,371,198
R&D expenses as a percentage of net revenue (%)	2.67	2.82

2. R&D results in 2018

Name of technology or product

(1) DW Solar power polycrystal wafer

(2) Ultra high efficiency mono crystal silicon solar cell

3. Future R&D plan:

(1) Ultra high efficiency P type mono crystal silicon solar cell

(2) Ultra high efficiency N type mono crystal silicon solar cell technological development

II. Summary of the business plan for 2019

(I) Operating philosophy

(1) Actively seek the blue ocean market, using excellent materials and process technology to develop a niche application market.

(2) The Company is a leader in the manufacturing and supply of monocrystal PERC P-type batteries, which will simplify product types and develop low-cost and high-efficiency batteries to maintain market competitiveness.

(3) Strive to accelerate the development of next generation new products that are efficient and cost-effective.

(4) Utilize the Group's resources for vertical integration to increase access and make profitable investment plans for power plants.

(II) Estimated sales volume and its basis

As the price of solar modules decreases, the demand for solar power grid parity will

continue to grow. Pv info Link analysts estimate that global solar power demand will return to 114GW in 2019, and monocrystal high-efficiency products will become the mainstream trend. In view of this, the Company will continue to maintain the leading edge of PERC monocrystalline cell efficiency, closely grasp market trends and industry pulsations, adjust business strategies in a timely manner, and develop new generation ultra-high efficiency products to strengthen the company's operations competitiveness.

(III) Important production and marketing policies:

- (1) Develop new customers and strengthen cooperation with non-China regional market areas to enhance the ability to respond to market changes.
- (2) Strengthen R&D links with downstream customers, develop high-efficiency niche products with core technology capabilities, increase added value, and actively reduce manufacturing costs to increase profit margins.
- (3) Intensify the efforts in the most downstream system business, strengthen vertical integration and global layout, further expand product market and increase operating profit margin.

(IV) Development strategy of the Company in the future

- (1) The technological breakthroughs in solar power silicon ingot and batteries are advanced, accelerating the next generation of high conversion efficiency silicon ingot and battery products.
- (2) Build a solid competitive position through resource integration, cost reduction, technology and product differentiation strategies.
- (3) Actively give play to the strategic layout of solar power plants, develop new solar energy system investment partners, and create the group's terminal market to obtain long-term stable returns.
- (4) Establish a fully integrated supply chain in the middle, lower and lower reaches, and diversify operational risks through vertical integration and diversified business strategies to become the world's leading technology provider of green energy solutions.

(V) Effect of external competition, regulatory environment and overall economic environment

- (1) In response to a number of competitors and oversupply, the Company has accelerated the development of new customers and continues to develop new products with high cost-effectiveness. At the same time, accelerate the integration of downstream system power stations to strengthen the downstream market of the Group's products.
- (2) In response to the impact of falling market prices due to oversupply in the market, the

company will strengthen its research and development links with downstream customers and develop high-efficiency niche products through core technology capabilities to increase added value.

- (3) Enhance confidential control and establish a global core patent layout strategy to enhance international competition and adapt to market changes.

Looking into to the solar industry in 2019, we think it is still a year full of uncertainties and challenges. Although the market survey institution PV-info Link estimates that the installed capacity in 2019 will be 114GW, but the market is still changeable for a long time. In 2018, the solar industry was in a downturn, and it also entered the stage of industrial consolidation. It is expected that long-term development may be stable and sound. Sino-American Silicon will continue to develop in the direction of innovative R&D, cost reduction and capacity building. It will continue to adapt to the market strategy and vertically integrate through the layout of solar power plants to strengthen the overall operational efficiency and expand the scale of operations. It is going to be a sustainable green enterprise with stable growth of revenue and profits, continues to create more value for shareholders.

Chairman M.K. Lu

President Doris Hsu

Chief Accounting Grace Hsu

Attachment 2

Audit Committee Review Report

The Board of Directors has prepared the Company's 2018 Business Report, Consolidated and Standalone Financial Statements and Earnings Distribution Proposal. Sino-American Silicon Products Inc. Stand-alone and Consolidated Financial Statements have been audited and certified by Chen-chien Chen, CPA, and Ann-chih Cheng, CPA, of KPMG and an audit report relating to the Financial Statements has been issued. The Business Report, Stand-alone and Consolidated Financial Statements and Earnings Distribution Proposal have been reviewed and considered to be complied with relevant rules by the undersigned, the audit committee 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

March 21, 2019

Attachment 3

Independent Auditor's Report

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

Audit opinion

Sino-American Silicon Products Inc. and its subsidiaries (consolidated companies) consolidated balance sheet for 2018 and December 31, 2017, the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated cash flow statement for 2018 and from January 1 to December 31, 2017, and notes to the consolidated financial statements (including major accounting policy summaries) were reviewed by the accountant.

Based on the opinions of the accountant, the audit results of the accountant and the audit reports of other accountants (please refer to other issues), the above consolidated financial report in all material aspects is prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, i.e. the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations announcement that are confirmed and published by the financial supervision and management committee and that are in force. It is sufficient to express the consolidated financial position of the consolidated company for 2018 and December 31, 2017, as well as the consolidated financial performance and consolidated cash flows for 2018 and from January 1 to December 31, 2017.

Basis of audit opinion

Our accountants perform the audit works according to the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and the Generally Accepted Auditing Standards. The accountability of the accountants under these standards will be further explained in the accountability section of the auditor's audit of the consolidated financial statements. The personnel subject to the independence of the firm of the accountant have been in accordance with the professional ethics of the accountant, and remain independent of the consolidated company, and perform other duties of the norm. Based on the audit results of our accountants and the audit reports of other accountants, our accountants are of the opinion that sufficient and appropriate audit evidences have been obtained in order to be served as a basis for presenting the audit opinion.

Other matters

Among the investments included in the consolidated company with the equity method, the

financial statements of Crystalwise Technology Inc. have not been checked by the accountant and have been checked by other accountants. Therefore, among the opinions expressed by the accountant on the Crystalwise's consolidated financial report, the amount listed in the financial report of is based on the audit report of other accountants. The amount of investment in Crystalwise Technology Inc. with the equity method was 0.4% and 1% of the total assets respectively in 2018 and December 31, 2017. The share of profit or loss of related companies using the equity method for 2018 and from January 1 to December 31, 2017 accounted for (3)% and (5)% of the net profit before tax respectively.

The consolidated company has prepared individual financial reports for 2018 and 2017, and the audit report issued by the accountant with unqualified opinions plus other matters is available for reference.

Key audit matters

Key audit matters refer to the most important matters in the audit of the consolidated company's consolidated financial report for 2018 in accordance with the professional judgment of the accountant. These matters have been dealt with in the process of checking the overall consolidated financial report and forming a review opinion. The accountant does not express a separate opinion on these matters. The key audit matters determined by The accountant to be communicated on the audit report are as follows:

I. Income recognition of customer contracts

For the accounting policies relating to income recognition, please refer to the consolidated financial statements in Note IV (XVI). For the description of the income recognition, please refer to the customer contract income in Note VI (XXVII) of the consolidated financial statements.

Description of key audit matters:

The main source of income of the semiconductor business unit of the consolidated company is the sales of semiconductor silicon crystal materials and their components. The recognition of operating revenue is determined according to the trading conditions agreed with the customers. As the transaction volume is large and from globalized operation locations, as a result, the accountant has recognized the income as one of the important evaluation items for the implementation of the consolidated financial report audit.

Audit procedure implemented:

The major audit procedures for the above-mentioned key audit matters include: understanding the accounting policies adopted by the consolidated company for income recognition, and comparing the terms of sale and income recognition conditions to assess the appropriateness of the adopted policies; observing on site the internal control system design of sales income, and testing the effectiveness of its execution by sampling; sample testing individual income transactions, checking customer orders and shipping certificates, etc.; choosing the sales transactions during the period before and after the end of the year as a sample to examine the conditions, shipping documents and customer confirmation documents,

etc. of such sales transactions., evaluating whether the year-end sales transactions is listed in the appropriate period.

II. Assessment of impairment loss on real estate property, plant and equipment

For the accounting policy of asset impairment, please refer to Note IV (XIII) of the consolidated financial statements for impairment of non-financial assets; for accounting hypothesis and estimated uncertainty of assessment of impairment loss on real estate property, plant and equipment, please refer to Note V (I) of the consolidated financial statements. For notes to the assessment of impairment loss on real estate property, plant and equipment, please refer to Note VI (XV) of the consolidated financial statements.

Description of key audit matters:

The industry in which the solar power business unit of the consolidate company is located is subjected to fluctuations due to the market environment and the energy policies of various governments, with fierce market competition and continuous price drop of products. Therefore, the assessment of impairment loss on real estate property, plant and equipment is important; the asset impairment assessment includes Identifying the cash-generating unit, determining the evaluation method, selecting important assumptions, and calculating the recoverable amount that must rely on the subjective judgment of the management. The evaluation process is complicated and contains the subjective judgment of the management. Therefore, the accountant listed it as one of the important audit matters.

Audit procedure implemented:

The principal audit procedures for the above key audit matters by the accountant include: assessing whether the cash-generating unit and its related tested assets that the consolidated company management has identified to impair show possible signs of impairment, and further understanding and testing the evaluation models and key assumptions such as future cash flow projections, use period and weighted average cost of capital that the management use in the impairment test, including expected product income, costs and expenses, and assessing the accuracy of previous management forecasts; and carrying out sensitivity analysis of results. Furthermore, the management authority is also consulted on relevant procedures in order to identify whether there will be matters capable of affecting the impairment test result in the future after the financial report. And assess whether the consolidated company has properly disclosed the policy of long-term non-financial asset impairment and other related information

III. Goodwill impairment

For the accounting policies of the impairment of goodwill, please refer to Note IV (XII) of the consolidated financial statements for intangible assets; for the assumptions and estimated uncertainty of the goodwill impairment assessment, please refer to Note V (II) of the consolidated financial statements. For related explanations, please refer to Note VI (XVI) intangible assets of the consolidated financial statements.

Description of key audit matters:

The consolidated company is a highly capitalized industry, and the goodwill generated by the merger and acquisition of the company exists, and the industry in which the consolidated company is located in is subject to fluctuations due to the market environment and government policies. Therefore, the assessment of goodwill impairment is important; the assessment procedure includes identifying the cash-generating unit, determining the evaluation method, selecting important assumptions, and calculating the recoverable amount that must rely on the subjective judgment of the management. Therefore, the accountant listed it as one of the important audit matters.

Audit procedure implemented:

The principal audit procedures for the above key audit matters by the accountant include: according to the understanding of the consolidated company, assessing the cash-generating unit that the management has identified to impair and signs of impairment; assessing the reasonableness of the management's method of measuring the recoverable amount; assessing the accuracy of management's past forecasts; reviewing management's calculation of the recoverable amount of cash-generating units; evaluating various assumptions that future cash flow projections and calculating recoverable amount use, and the sensitivity analysis of the key assumptions; assessing whether the goodwill impairment policy and other relevant information have been properly disclosed.

Responsibility of management and management units for consolidated financial statements

The management's responsibility is prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the international financial reporting standards, international accounting standards, interpretations and interpretation announcement that are confirmed and published by the Financial Supervisory Committee and that are in force. It is in line with the consolidated financial statements and maintains necessary internal control related to the preparation of the consolidated financial statements so as to avoid deceptive presentation caused by fraud or error in the consolidated financial statements.

In preparing the consolidated financial statements, the management's responsibilities also include assessing the ability of the consolidated company to continue to operate, disclosure of related matters, and adoption of the continuing accounting basis, unless the management intends to liquidate the consolidated company or cease operations, or there are no other practical options besides to clear or close the business.

The governance unit of the consolidated company (including the audit committee) is responsible for overseeing the financial reporting process.

Accountant's responsibility to audit the consolidated financial statements

The purpose of the accountant's auditing of the consolidated financial statements is to obtain reasonable assurance about whether there is deceptive presentation caused by fraud or error in the overall financial statements, and to issue an audit report. Reasonable assurance is highly convincing, but the audit conducted in accordance with generally accepted auditing standards cannot guarantee

that a significant deceptive presentation of the consolidated financial statements will be detected. Deceptive presentation may be caused by fraud or error. If the individual amount or summary of the deceptive presentation is reasonably expected to affect the economic decisions made by the users of the consolidated financial statements, the deceptive presentation is considered significant.

When The accountant performs audit according to the generally accepted auditing standards, professional determination shall be utilized and professional doubts shall be maintained. Our accountants also perform the following works:

- I. Identify and evaluate the risk of significant deceptive presentation of caused by fraud or error in the consolidated financial statements; design and implement appropriate countermeasures for the assessed risk; and obtain sufficient and appropriate evidence as the basis for the audit opinions. Since fraud may involve conspiracy, forgery, intentional disclosure, deceptive declaration or may be beyond the internal control, the risk of not detecting major deceptive presentation due to fraud is higher than that due to error.
- II. Obtain the necessary knowledge of the internal control of the audit to design an appropriate audit procedure at the time, but the purpose is not to express an opinion on the effectiveness of the internal control of the consolidated company.
- III. Evaluate the appropriateness of the accounting policy adopted by the management level, and the reasonability of the accounting estimation and relevant disclosure made.
- IV. Based on the audit evidence obtained, make conclusions about the appropriateness of the management to adopt of the continuing business accounting basis and whether there are significant uncertainties in the events or circumstances that may cause significant doubts about the ability of the consolidated company to continue to operate. If the accountant believes that there is a significant uncertainty in the events or circumstances, it is necessary to remind the users of the consolidated financial statements to pay attention to the relevant disclosures of the consolidated financial statements in the audit report, or to amend the audit opinions when the disclosure is inappropriate. The conclusion of our accountants shall be based on the audit evidences obtained up to the audit report date. However, future events or circumstances may cause the consolidated company to no longer have the ability to continue to operate.
- V. To assess the overall expression, structure and content of the consolidated financial statements (including related notes) and whether the consolidated financial statements are intended to convey relevant transactions and events.
- VI. Obtain sufficient and appropriate evidence for the financial information of the constituent individuals in the consolidated company to express opinions on the consolidated financial statements. The accountant is responsible for the guidance, supervision and execution of the company's audit case, and is responsible for forming the group's audit opinions.

The matters of the communication made by our accountants with the governance unit include the audit scope and time planned as well as the major audit discoveries (including the internal control obvious flaws identified during the audit process).

Our accountants also provide the declaration that the personnel of the firm to which our accountant belongs to have already complied with the independence related to the accounting occupational moral standards to the governance unit, and our accountants also communicate with the governance unit on the relationship and other matters (including relevant preventive measures) considered to be possibly affecting the independent of accountants.

From the matters communicated with the governance unit, the accountant decided on the key audit matters for the consolidated financial statements of the consolidated company in 2018. For the matters described by our accountants in the audit report, unless for specific matters prohibited from disclosure under the law, or under extremely rare situation, our accountants decide not to communicate particular matters in the audit report based on the concern that the negative impact generated by such communication can be reasonably expected to have an impact greater than the public interests gained.

KPMG

Cheng-chien Chen

Accountant:

An-chih Cheng

Securities	Financial supervision certificate
authority	: Six No. 0940129108
approved and	Financial supervision audit No.
certified	1060005191
document No.	
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Sino-American Silicon Products Inc.

Consolidated Balance Sheet

December 31, 2018 and 2017

Unit: NT\$ Thousand

		<u>December 31, 2018</u>		<u>December 31, 2017</u>				<u>December 31, 2018</u>		<u>December 31, 2017</u>	
ASSETS		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets:											
1100	Cash and cash equivalents (Note VI (1))	\$ 36,829,131	35	20,342,780	23	2100	Short-term borrowings (Note VI (XVII))	\$ 9,334,809	9	13,753,204	15
1110	Financial assets measured at fair value through profit or loss-current (Note VI(II))	323,548	-	21,546	-	2120	Financial liabilities measured at fair value through profit or loss - current(Note VI(II))	119	-	5,152	-
1170	Notes receivable and net accounts (Note VI(V))	9,767,417	9	8,715,836	10	2130	Contract liabilities - current (Note VI (XXVII), VII and IX)	4,662,837	5	-	-
1180	Receivables from related parties (Note VII)	113,915	-	113,707	-	2170	Notes payable and accounts payable	5,184,889	5	5,342,167	6
130X	Inventories (Note VI(VI))	7,881,367	8	10,047,905	11	2180	Payables to related parties (Notes VII and IX)	51,342	-	9,708	-
1476	Other financial assets – current (Note VIII)	770,117	1	174,383	-	2230	Income tax liabilities for the current period	2,127,809	2	1,316,654	2
1479	Other current assets	1,575,354	2	1,589,902	2	2201	Accrued salaries and bonuses	2,295,168	2	1,990,597	2
		<u>57,260,849</u>	<u>55</u>	<u>41,006,059</u>	<u>46</u>	2310	Advance payment - flow (Notes VII and IX)	-	-	2,496,832	3
Non-current Assets:						2322	Long-term borrowings due within one year (Note VI (XVIII))	-	-	613,333	1
1523	Available for sale financial assets – non-current (Note VI(VII))	-	-	685,194	1	2399	Other current liabilities (Note VI (XIX) and (XX))	6,496,720	6	2,709,351	3
1527	Held-to-maturity financial assets - non-current (Notes VI (VIII) and VII)	-	-	281,366	-			<u>30,153,693</u>	<u>29</u>	<u>28,236,998</u>	<u>32</u>
1543	Financial assets measured by cost - non-current (Note VI (IX))	-	-	838,181	1	Non-current Liabilities:					
1517	Financial assets measured at fair value through other comprehensive gains and losses - non-current (Note VI (III))	1,204,924	1	-	-	2527	Contract liabilities-non-current (Note VI (XXVII), VII and IX)	15,712,134	15	-	-
1535	Financial assets measured at amortized cost - non-current (Note VI (IV) and VII)	281,366	-	-	-	2540	Long-term borrowings (Note VI (XVIII))	2,040,200	2	5,033,539	5
1550	Investment with the equity method (Note VI (X))	2,041,896	2	1,694,717	3	2570	Deferred income tax liabilities (Note VI (XXIII))	3,664,664	4	2,066,271	2
1600	Real estate property, plant and equipment (Note VI (XV) and VIII)	37,438,555	36	37,528,808	42	2600	Other non-current liabilities (Note VI (XIX) and (XX))	1,327,730	1	1,235,658	2
1780	Intangible assets (Note VI (XVI))	3,649,397	4	3,939,134	4	2640	Net defined benefit liabilities-non-current (Note VI (XXII))	3,173,029	3	2,898,535	3
1840	Deferred income tax assets (Note VI (XXIII))	1,514,843	2	2,014,732	2	2670	Advance payments received – non-current(Note VII and IX)	-	-	6,094,621	7
1980	Other financial assets – non-current (Note VIII)	325,660	-	403,078	-			<u>25,917,757</u>	<u>25</u>	<u>17,328,624</u>	<u>19</u>
1990	Other non-current assets (Note VI (XXII))	267,825	-	951,264	1			<u>56,071,450</u>	<u>54</u>	<u>45,565,622</u>	<u>51</u>
		<u>46,724,466</u>	<u>45</u>	<u>48,336,474</u>	<u>54</u>	Total liabilities					
						Equity (Note VI (XXIV))					
						3110	Capital – common stock	5,863,207	6	5,920,587	7
						3170	Pending share capital	(330)	-	-	-
								<u>5,862,877</u>	<u>6</u>	<u>5,920,587</u>	<u>7</u>
						3200	Capital surplus	21,757,292	21	24,205,831	27
							Retained earnings:				
						3310	Legal reserve	311,579	-	311,579	-
						3320	Special reserve	513,302	1	513,302	1
						3350	Undistributed retained earnings (accumulated loss)	1,507,753	1	(317,629)	-
								<u>2,332,634</u>	<u>2</u>	<u>507,252</u>	<u>1</u>
						3400	Other equity	(3,071,087)	(3)	(3,322,937)	(4)
						3500	Treasury share	-	-	(169,861)	-
							Sub-total of the equity attributable to the owner of the parent company	26,881,716	26	27,140,872	31
						36XX	Non-control interest (Note VVI (XII and XIII))	21,032,149	20	16,636,039	18
							Total equity	47,913,865	46	43,776,911	49
							Total liabilities and equity	<u>\$ 103,985,315</u>	<u>100</u>	<u>89,342,533</u>	<u>100</u>
Total assets		<u>\$ 103,985,315</u>	<u>100</u>	<u>89,342,533</u>	<u>100</u>						

(The accompanying notes are an integral part of the consolidated financial statements.)

Chairman: Ming-kuang Lu

Managerial Officer: Hsiu-lan Hsu

Accounting Supervisor: Hsiu-ling Hsu

Sino-American Silicon Products Inc. and subsidiaries

Consolidated P&L Statements

From January 1, 2017 to December 31, 2018

Expressed in thousands of New Taiwan dollars

		2018		2017	
		Amount	%	Amount	%
4000	Operating revenue (Note VI (XXVII), (XXVIII) and VII)	\$ 69,238,945	100	59,371,198	100
5000	Operating costs (Note VI (VI), (XXI), (XXV) and VII)	<u>50,597,092</u>	<u>73</u>	<u>47,967,962</u>	<u>81</u>
	Gross Profit	<u>18,641,853</u>	<u>27</u>	<u>11,403,236</u>	<u>19</u>
	Operating expenses (Note VI (XXI), (XXII), (XXV) and VII)				
6100	Marketing expense	1,416,904	2	1,379,950	2
6200	General and administrative expenses	2,094,839	3	2,026,389	3
6300	R&D expense	1,849,867	3	1,671,895	3
6450	Expected credit impairment loss (Note VI (V))	<u>102,738</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total operating expenses	<u>5,464,348</u>	<u>8</u>	<u>5,078,234</u>	<u>8</u>
	OPERATING REVENUE	<u>13,177,505</u>	<u>19</u>	<u>6,325,002</u>	<u>11</u>
	NON-OPERATING REVENUE AND GAINS:				
7010	Other income (Note VI (XXX) and VII)	517,896	-	146,938	-
7020	Other interest and loss (Note VI (XXXI))	71,244	-	(586,987)	(1)
7050	Financial costs (Note VI (XXXII))	(212,003)	-	(506,347)	(1)
7060	Share of profit or loss of related companies recognized by equity method (Note VI (X))	<u>(236,409)</u>	<u>-</u>	<u>(252,865)</u>	<u>-</u>
		<u>140,728</u>	<u>-</u>	<u>(1,199,261)</u>	<u>(2)</u>
7900	Net income before tax	13,318,233	19	5,125,741	9
7950	Income tax expenses (Note VI (XXIII))	<u>4,682,753</u>	<u>7</u>	<u>1,607,113</u>	<u>3</u>
	Net profit this period	<u>8,635,480</u>	<u>12</u>	<u>3,518,628</u>	<u>6</u>
8300	Other comprehensive income:				
8310	Items not to be reclassified into profit or loss				
8311	Remeasured defined benefit plan (Note VI (XXII))	(265,423)	-	506,710	1
8316	Unrealized gains and losses on valuation of equity instrument investments measured at fair value through other comprehensive gains and losses	<u>(521,764)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
8349	Income tax related to items that may not be subsequently reclassified (Note VI (XXIII))	<u>68,152</u>	<u>-</u>	<u>(88,347)</u>	<u>-</u>
		<u>(719,035)</u>	<u>(1)</u>	<u>418,363</u>	<u>1</u>
8360	Items that may be subsequently reclassified into profit or loss				
8361	Exchange differences resulting from translating the financial statements of a foreign operation	940,983	1	(722,292)	(1)
8362	Unrealized gains or losses on valuation of financial assets available for sales	-	-	23,914	-
8370	The share of other comprehensive gains and losses of related companies with the equity method (Note VI (XXXIII))	(173,644)	-	105,196	-
8399	Income tax related to items that may be subsequently reclassified (Note VI (XXIII))	<u>(102,154)</u>	<u>-</u>	<u>110,730</u>	<u>-</u>
	Total items that may be subsequently reclassified into profit or loss	<u>665,185</u>	<u>1</u>	<u>(482,452)</u>	<u>(1)</u>
8300	Other comprehensive income (net of tax) for the period	<u>(53,850)</u>	<u>-</u>	<u>(64,089)</u>	<u>-</u>
	Total comprehensive income for the period	<u>\$ 8,581,630</u>	<u>12</u>	<u>3,454,539</u>	<u>6</u>
	Net profit for the current period is attributable to:				
	Owner of the parent company	\$ 1,950,503	2	1,035,505	2
	Non-Controlling Interests	<u>6,684,977</u>	<u>10</u>	<u>2,483,123</u>	<u>4</u>
		<u>\$ 8,635,480</u>	<u>12</u>	<u>3,518,628</u>	<u>6</u>
	Total comprehensive profit or loss attributable to:				
	Owner of the parent company	\$ 1,604,225	2	971,676	2

(The accompanying notes are an integral part of the consolidated financial statements.)

Chairman: Ming-kuang Lu Managerial Officer: Hsiu-lan Hsu Accounting Supervisor: Hsiu-ling Hsu

	Non-Controlling Interests	6,977,405	10	2,482,863	4
		<u>\$ 8,581,630</u>	<u>12</u>	<u>3,454,539</u>	<u>6</u>
	Earnings per share (Unit: NT\$) (Note VI (XXVI))				
9750	Basic earnings per share	<u>\$</u>	<u>3.36</u>		<u>1.80</u>
9850	Diluted earnings per share	<u>\$</u>	<u>3.34</u>		<u>1.79</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

Chairman: Ming-kuang Lu Managerial Officer: Hsiu-lan Hsu Accounting Supervisor: Hsiu-ling Hsu

Sino-American Silicon Products Inc. and subsidiaries
Consolidated statement of changes in equity
From January 1, 2017 to December 31, 2018

Expressed in thousands of New Taiwan Dollars

	Equity attributable to the owners of the parent company																
	Retained earnings							Other equity items									
								Exchange difference for conversion of financial statements of foreign operating agencies	Financial assets measured at fair value through other comprehensive gains and losses	Unrealized profits from available for sale financial instruments	Employees' unearned remuneration	Other	Total	Treasury share	Total equity attributable to the owners of the parent company	Non-Controlling Interests	Total Equity
	Ordinary share capital	Pending share capital	Capital surplus	Legal reserve	Special reserve	Undistributed retained earnings (Accumulated loss)	Total										
Balance on January 1, 2017	\$ 5,800,312	-	18,821,483	311,579	513,302	(1,565,754)	(740,873)	(1,617,512)	-	(1,188,654)	-	(6,354)	(2,812,520)	(169,861)	20,898,541	6,328,546	27,227,087
Net profit this period	-	-	-	-	-	1,035,505	1,035,505	-	-	-	-	-	-	-	1,035,505	2,483,123	3,518,628
Other comprehensive income for the period	-	-	-	-	-	212,620	212,620	(355,822)	-	79,373	-	-	(276,449)	-	(63,829)	(260)	(64,089)
Total comprehensive income for the period	-	-	-	-	-	1,248,125	1,248,125	(355,822)	-	79,373	-	-	(276,449)	-	971,676	2,482,863	3,454,539
Distribution of cash dividends out of capital reserve	-	-	(861,714)	-	-	-	-	-	-	-	-	-	-	-	(861,714)	-	(861,714)
Employees execute stock options to issue new shares	60,625	-	234,013	-	-	-	-	-	-	-	-	-	-	-	294,638	-	294,638
changes in equity net worth of related companies with the equity method	-	-	5,670,627	-	-	-	-	-	-	-	-	2,052	2,052	-	5,672,679	8,362,023	14,034,702
Shares issued with restrictions on employee rights	60,000	-	343,200	-	-	-	-	-	-	-	(283,200)	-	(283,200)	-	120,000	-	120,000
Remuneration cost of shares with restrictions on employee rights	-	-	-	-	-	-	-	-	-	-	45,752	-	45,752	-	45,752	-	45,752
shares with restrictions on employee rights written-off	(350)	-	(1,778)	-	-	-	-	-	-	-	1,428	-	1,428	-	(700)	-	(700)
cash dividends paid by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(537,393)	(537,393)
Balance on December 31, 2017	5,920,587	-	24,205,831	311,579	513,302	(317,629)	507,252	(1,973,334)	-	(1,109,281)	(236,020)	(4,302)	(3,322,937)	(169,861)	27,140,872	16,636,039	43,776,911
Adjusted amount according to the new criteria that apply for the first time	-	-	-	-	-	1,222,787	1,222,787	-	(2,338,298)	1,109,281	-	-	(1,229,017)	-	(6,230)	(6,024)	(12,254)
Rescheduled balance at the beginning of the period	5,920,587	-	24,205,831	311,579	513,302	905,158	1,730,039	(1,973,334)	(2,338,298)	-	(236,020)	(4,302)	(4,551,954)	(169,861)	27,134,642	16,630,015	43,764,657
Net profit this period	-	-	-	-	-	1,950,503	1,950,503	-	-	-	-	-	-	-	1,950,503	6,684,977	8,635,480
Other comprehensive income for the period	-	-	-	-	-	(107,341)	(107,341)	387,093	(626,030)	-	-	-	(238,937)	-	(346,278)	292,428	(53,850)
Total comprehensive income for the period	-	-	-	-	-	1,843,162	1,843,162	387,093	(626,030)	-	-	-	(238,937)	-	1,604,225	6,977,405	8,581,630
Loss made up by capital reserve	-	-	(317,629)	-	-	317,629	317,629	-	-	-	-	-	-	-	-	-	-
Distribution of cash dividends out of capital reserve	-	-	(1,759,511)	-	-	-	-	-	-	-	-	-	-	-	(1,759,511)	-	(1,759,511)
Changes in related companies	-	-	124	-	-	-	-	-	-	-	-	922	922	-	1,046	-	1,046

(The accompanying notes are an integral part of the consolidated financial statements.)

Chairman: Ming-kuang Lu

Managerial Officer: Hsiu-lan Hsu

Accounting Supervisor: Hsiu-ling Hsu

recognized by the equity method																		
Treasury share cancellation	(55,550)	-	(114,311)	-	-	-	-	-	-	-	-	-	-	169,861	-	-	-	-
Non-controlling equity changes	-	-	(245,804)	-	-	-	-	-	-	-	-	-	-	-	(245,804)	(425,701)	(671,505)	
Received by gift	-	-	239	-	-	-	-	-	-	-	-	-	-	-	239	-	239	
Remuneration cost of shares with restrictions on employee rights	-	-	(9,487)	-	-	-	-	-	-	-	160,686	-	160,686	-	151,199	-	151,199	
Restrictions on employee rights invalid, pending for cancellation	(1,830)	(330)	(2,160)	-	-	-	-	-	-	-	-	-	-	-	(4,320)	-	(4,320)	
Dispose of equity instruments measured at fair value through other comprehensive gains and losses	-	-	-	-	-	(1,558,196)	(1,558,196)	-	1,558,196	-	-	-	1,558,196	-	-	-	-	
cash dividends paid by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,149,570)	(2,149,570)	
Balance on December 31, 2018	\$ 5,863,207	(330)	21,757,292	311,579	513,302	1,507,753	2,332,634	(1,586,241)	(1,406,132)	-	(75,334)	(3,380)	(3,071,087)	-	26,881,716	21,032,149	47,913,865	

(The accompanying notes are an integral part of the consolidated financial statements.)

Chairman: Ming-kuang Lu

Managerial Officer: Hsiu-lan Hsu

Accounting Supervisor: Hsiu-ling Hsu

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Cash Flow Statement

From January 1, 2017 to December 31, 2018

Expressed in thousands of New Taiwan dollars

	2018	2017
Cash flows from operating activities:		
Net income before tax for the period	\$ 13,318,233	5,125,741
Adjustments:		
Income loss item		
Depreciation expense	5,628,233	5,889,914
Amortization expenses	354,779	351,116
Expected credit impairment loss /accrued bad debts	102,738	19,581
Financial assets measured at fair value through profit or loss and		
net interest of liabilities	(44,659)	(37,583)
Interest expenses	212,003	506,347
Interest income	(482,902)	(131,992)
Dividend income	(34,994)	(14,946)
Share-based payment compensation cost	151,199	45,752
share of losses of related companies with the equity method	236,409	252,865
Gain on disposal or abandonment of property, plant and		
equipment	(129,992)	(2,303)
Financial asset impairment loss	-	69,501
Reversed inventory depreciation and obsolescence loss	(37,345)	(401,724)
Non-financial asset impairment loss	1,436,217	-
Other net loss without affecting cash flow	-	(33,993)
Total net loss items	<u>7,391,686</u>	<u>6,512,535</u>
Changes in assets and liabilities related to operating activities:		
Notes and accounts receivable (including related parties)	(1,153,986)	(289,277)
Inventories	2,203,883	62,440
Advance payment for materials	1,079,561	660,001
Other operating assets	(408,244)	-
Other financial assets	(524,740)	458,718
Notes and accounts payable (including related parties)	(115,644)	(996,186)
Provisions	443,404	(460,680)
Contract liabilities/Advance payments received	14,252,038	6,767,274
The net defined benefit liabilities	5,838	(27,949)
Other operating liabilities	<u>811,517</u>	<u>(495,880)</u>
Total net changes in operating assets and liabilities	<u>16,593,627</u>	<u>5,678,461</u>
Total adjustments	<u>23,985,313</u>	<u>12,190,996</u>
Cash generated from operations inflow	37,303,546	17,316,737
Interest received	452,590	128,302
Share dividend received	34,994	14,946
Interest paid	(233,845)	(509,916)
Income tax paid	<u>(1,467,974)</u>	<u>(834,955)</u>
Cash provided by operating activities	<u>36,089,311</u>	<u>16,115,114</u>

(Continued on next page)

(The accompanying notes are an integral part of the consolidated financial statements.)

Chairman: Ming-kuang Lu Managerial Officer: Hsiu-lan Hsu Accounting Supervisor: Hsiu-ling Hsu

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Cash Flow Statements

From January 1, 2017 to December 31, 2018

Expressed in thousands of New Taiwan dollars

	<u>2018</u>	<u>2017</u>
Cash flows from investing activities:		
Financial assets at fair value through other comprehensive gains and losses	(197,197)	-
Return of financial assets measured at fair value through other comprehensive gains and losses	8,732	-
Acquired financial assets at fair value through gains and losses	(276,529)	-
Acquired financial assets at cost	-	(49,896)
long-term equity investment price with the equity method	(990,000)	(649,000)
Cash dividends of invested companies by equity method	6,422	-
real estate property, plant and equipment acquired and advance payments received for equipment	(6,597,886)	(3,347,558)
Payment from disposal of real estate property, plant and equipment	560,149	659,779
Acquired intangible assets	-	(2,530)
net cash outflows from subsidiaries from mergers and acquisitions	-	(3,254)
Decrease of other financial assets	56,023	346,884
Cash outflows from investment activities	<u>(7,430,286)</u>	<u>(3,045,575)</u>
Cash flows from financing activities:		
Decrease of short-term borrowings	(4,464,007)	(2,723,221)
Long-term borrowing	1,026,000	7,993,539
Repayment of long-term borrowings	(4,632,672)	(19,944,479)
increase (decrease) of deposited guarantee	17,858	(745,817)
Distribution of cash dividends out of capital reserve	(1,759,511)	(861,714)
Shares issued with restrictions on employee rights	-	120,000
Employees execute stock options	-	294,638
shares with restrictions on employee rights written-off	(4,320)	(700)
Received by gift	239	-
Non-controlling equity changes	(575,394)	14,032,548
cash dividends of distributing non-controlling interests	(2,149,570)	(537,393)
Cash flows used in financing activities	<u>(12,541,377)</u>	<u>(2,372,599)</u>
The Effects of Changes in Foreign Exchange Rates	368,703	376,380
Increase in cash and cash equivalents	16,486,351	11,073,320
Cash and cash equivalents at beginning of year	20,342,780	9,269,460
Cash and cash equivalents at end of year	<u>\$ 36,829,131</u>	<u>20,342,780</u>
assets acquired by the M&A transaction and the fair value of liabilities assumed are as follows:		
Cash and cash equivalents	\$	1,064
Inventories		300
Other current assets		1,823
Property, plant and equipment		32,672
Short-term loans		(11,015)
Notes payable and accounts payable		<u>(20,526)</u>
fair value of acquiring the subsidiary's equity at the acquisition date		4,318
Less: the cash received from subsidiaries		<u>(1,064)</u>
Cash paid for control (net of acquired cash)	<u>\$</u>	<u>3,254</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

Chairman: Ming-kuang Lu Managerial Officer: Hsiu-lan Hsu Accounting Supervisor: Hsiu-ling Hsu

Independent Auditor's Report

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

Audit opinion

Sino-American Silicon Products Inc. consolidated balance sheet for 2018 and December 31, 2017, the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated cash flow statement for 2018 and from January 1 to December 31, 2017, and notes to the consolidated financial statements (including major accounting policy summaries) were reviewed by the accountant.

Based on the opinions of the accountant and other accountants, the audit results of the accountant and the audit reports of other accountants (please refer to other matters), the above consolidated financial report in all material aspects is prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. It is sufficient to express the consolidated financial position of Sino-American Silicon Products Inc. for 2018 and December 31, 2017, as well as the financial performance and consolidated cash flows for 2018 and from January 1 to December 31, 2017.

Basis of audit opinion

Our accountants perform the audit works according to the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and the Generally Accepted Auditing Standards. The responsibilities of our accountant under such standards are to be further described in the section of responsibilities of accountants auditing individual financial report. Our accountant belongs to personnel of the firm under the regulations of independence and have followed the accountant occupational moral standards to remain completely independent from Sino-American Silicon Products Inc., and other responsibilities specified in the regulations have been fulfilled. Based on the audit results of our accountants and the audit reports of other accountants, our accountants are of the opinion that sufficient and appropriate audit evidences have been obtained in order to be served as a basis for presenting the audit opinion.

Other matters

For the listed investments under the equity method of Sino-American Silicon Products Inc., the financial reports related to Crystalwise Technology Inc. were not audited by us but by other

independent auditors. Therefore, our opinion on the adjusted amount of Crystalwise Technology Inc. in the individual financial reports referred to above were based on the reports of other independent auditors. The amount of investment in Crystalwise Technology Inc. with the equity method was 1% and 2% of the total assets respectively in 2018 and on December 31, 2017. The share of profit or loss of related companies using the equity method for 2018 and from January 1 to December 31, 2017 accounted for (20)% and (25)% of the net profit before tax respectively.

Key audit matters

Key audit matters refer to the most important matters in the audit of Sino-American Silicon Products Inc. individual financial report for 2018 in accordance with the professional judgment of the accountant. Such matters have been dealt with in the overall audit of the individual financial statement and the formation of the audit opinion, and our accountants present no independent opinion on such matters.

The key audit matters determined by The accountant to be communicated on the audit report are as follows:

I. Impairment loss of real estate property, plant and equipment

For the accounting policies of the Group's financial statements, please refer to Note IV (XIII) of the individual financial statements, Impairment of non-financial assets; for accounting assumptions and estimated uncertainty of impairment assessment of real estate property, plant and equipment, please refer to Note V of the individual financial statements. For the description of the impairment assessment of real estate property, plant and equipment, please refer to Note VI (XII) of the individual financial statements.

Description of key audit matters:

The industry of Sino-American Silicon Products Inc. is prone to be affected by factors of the market environment and energy policies of various countries such that there is great fluctuation, vigorous market competition and continuous decrease of product prices; therefore, the impairment evaluation of real property, facility and equipment is importation. The asset impairment evaluation includes the identification of cash generation unit, determination of evaluation method, selection of important assumption and calculation of recoverable amount etc., which needs to rely on the subjective determination of the management level, complicated evaluation process and including the subjective determination of the management authority. Therefore, it is listed as one of the important audit matters by our accountants.

Audit procedure implemented:

The principal audit procedures for the above key audit matters by the accountant include: assessing the reasonableness of the management of the Sino-American Silicon Products Inc. to identify the depreciation of the cash-generating unit and its related assets, and further understanding and testing assessment models used in the impairment test and key assumptions include future cash flow projections, use period and weighted average cost of capital, including expected product revenue, costs and expenses, and assessing the accuracy of the management's

past forecasts; and performing sensitivity analysis on the results. Furthermore, the management authority is also consulted on relevant procedures in order to identify whether there will be matters capable of affecting the impairment test result in the future after the financial report. It also assesses whether Sino-American Silicon Products Inc. has properly disclosed the policy of long-term non-financial asset impairment and other related information.

II. Evaluation of investments using the equity method

For the accounting policies of the investment appraisal using the equity method, please refer to Note IV (VIII) Investment-related enterprises and Note IV (IX) Investment in Subsidiaries in the Individual Financial Reports; for the assessment of the investment using the equity method, please refer to Note VI of the Individual Financial Report (X) Investment using the equity method and Note VI (XI) Changes in the equity of ownership of the subsidiary.

Description of key audit matters:

Sino-American Silicon Products Inc. Co., holds a 51.17% stake in the equity-investment subsidiary (Globalwafers Co., Ltd.). Given that the subsidiary Globalwafers Co., Ltd. is mainly derived from corporate mergers and acquisitions, plus Globalwafers' industry is subjected to fluctuations in the market environment and other factors. The recognition of the income of subsidiaries and the assessment of goodwill impairment arising from corporate mergers and acquisitions are important. it is listed as one of the important audit matters by our accountants.

Audit procedure implemented:

The principal audit procedures performed by the accountant for the recognition of income related to investment using the equity method include understanding the accounting policies adopted for the income used; assessing the design of the internal control system of sales revenue; and sampling and testing individual transactions to support the appropriateness of the recognition of income. The principal audit procedures for the goodwill impairment assessment include: assessing the cash-generating unit that the management has identified to impair and signs of impairment; assessing the reasonableness of the management's method of measuring the recoverable amount; assessing the accuracy of management's past forecasts; reviewing management's calculation of the recoverable amount of cash-generating units; evaluating various assumptions that future cash flow projections and calculating recoverable amount use, and the sensitivity analysis of the key assumptions.

Responsibilities of management level and governance unit on individual financial report

The responsibilities of the management level is to prepare the individual financial statement appropriately presented according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and maintain necessary internal controls related to the preparation of the individual financial statement in order to ensure that the financial statement contains no major deceptive presentation due to fraud or errors.

In preparing the consolidated financial statements, the management's responsibilities also include assessing the ability of Sino-American Silicon Products Inc. to continue to operate, disclosure

of related matters, and adoption of the continuing accounting basis, unless the management intends to liquidate Sino-American Silicon Products Inc. or cease operations, or there are no other practical options besides to clear or close the business.

The governance unit (including the audit committee) of Sino-American Silicon Products Inc. shall be responsible for supervising the financial report process.

Responsibilities of accountants auditing individual financial statement

The purpose of our accountants in auditing individual financial statement is to determine whether the overall of the individual financial statement includes major deceptive presentation caused by fraud or error in order to obtain reasonable assurance, and to issue the audit report. Reasonable assurance refers to high level of assurance; however, the audit works performed according to the generally accepted auditing standards cannot assure the complete detection of major deceptive presentation in an individual financial statement. Deceptive presentation may be caused by fraud or error. If the individual amount or summary of the deceptive presentation is reasonably expected to affect the economic decisions made by the users of the individual financial statements, the deceptive presentation is considered significant.

When The accountant performs audit according to the generally accepted auditing standards, professional determination shall be utilized and professional doubts shall be maintained. Our accountants also perform the following works:

- I. Identify and evaluate the risk of major deceptive presentation of individual financial statement due to fraud or error; design and execute appropriate countermeasures for the risk evaluated; and obtain sufficient and appropriate audit evidence as the basis for audit opinion. Since fraud may involve conspiracy, forgery, intentional disclosure, deceptive declaration or may be beyond the internal control, the risk of not detecting major deceptive presentation due to fraud is higher than that due to error.
- II. For the internal controls associated to the audit, necessary understanding thereof shall be obtained in order to design appropriate audit procedure for the current condition; however, the purpose is not to provide opinion on the validity of the internal control of Sino-American Silicon Products Inc.
- III. Evaluate the appropriateness of the accounting policy adopted by the management level, and the reasonability of the accounting estimation and relevant disclosure made.
- IV. Based on the audit evidence obtained, make conclusions about the appropriateness of the management to adopt of the continuing business accounting basis and whether there are significant uncertainties in the events or circumstances that may cause significant doubts about the ability of Sino-American Silicon Products Inc. to continue to operate. If the accountant believes that there is a significant uncertainty in the events or circumstances, it is necessary to remind the users of the consolidated financial statements to pay attention to the relevant disclosures of the individual financial statements in the audit report, or to amend the audit opinions when the disclosure is inappropriate. The conclusion of our accountants shall be based

on the audit evidences obtained up to the audit report date. However, future events or situations may cause Sino-American Silicon Products Inc. to lose its ability of continuous operation.

V. Evaluate the overall presentation, structure and content of the individual financial statement (including relevant notes), and whether the individual financial statement appropriately presents relevant transactions and events.

VI. Obtain sufficient and appropriate evidence for the financial information of the invested company with the equity method to express opinions on the individual financial statements. The accountant is responsible for the guidance, supervision and execution of the company's audit case, and is responsible for forming the audit opinions for Sino-American Silicon Products Inc.

The matters of the communication made by our accountants with the governance unit include the audit scope and time planned as well as the major audit discoveries (including the internal control obvious flaws identified during the audit process).

Our accountants also provide the declaration that the personnel of the firm to which our accountant belongs to have already complied with the independence related to the accounting occupational moral standards to the governance unit, and our accountants also communicate with the governance unit on the relationship and other matters (including relevant preventive measures) considered to be possibly affecting the independent of accountants.

From the matters communicated with the governance unit, the accountant decided on the key audit matters for Sino-American Silicon the consolidated financial statements of the consolidated company in 2018. For the matters described by our accountants in the audit report, unless for specific matters prohibited from disclosure under the law, or under extremely rare situation, our accountants decide not to communicate particular matters in the audit report based on the concern that the negative impact generated by such communication can be reasonably expected to have an impact greater than the public interests gained.

KPMG

Cheng-chien Chen

Accountant :

An-chih Cheng

Securities	Financial supervision certificate
authority	: Six No. 0940129108
approved and	Financial supervision audit No.
certified	1060005191
document No.	
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Sino-American Silicon Products Inc.

Balance Sheet

December 31, 2018 and 2017

Unit: NT\$ Thousand

ASSETS		December 31, 2018		December 31, 2017		LIABILITIES AND EQUITY		December 31, 2018		December 31, 2017			
		Amount	%	Amount	%			Amount	%	Amount	%		
Current Assets:						Current Liabilities:							
1100	Cash and cash equivalents (Note VI (1))	\$	851,304	3	673,428	2	2100	Short-term borrowings (Note VI (XIII))	\$	2,717,125	8	2,364,913	7
1110	Financial assets measured at fair value through profit or loss-current (Note VI(II))		87,053	-	-	-	2130	Contract liabilities-current (VI (XXII), VII and IX)		148,713	-	-	-
1170	Net Accounts Receivable (Note VI (V))		471,498	1	728,986	2	2170	Notes payable and accounts payable		431,425	1	1,043,113	3
1180	Receivables from related parties (Note VII)		1,166,545	3	1,518,914	5	2180	Payables to related parties (Notes VII and IX)		6,464	-	4,740	-
130X	Inventories (Note VI(VI))		590,170	2	2,234,785	6	2201	Accrued salaries and bonuses		284,009	1	323,170	1
1421	Prepaid materials (Notes VII and IX)		536,783	2	269,441	2	2310	Advance payment - flow (Notes VII and IX)		-	-	287,517	1
1470	Other current assets		83,492	-	119,977	-	2399	Other current liabilities		349,260	1	466,882	1
			3,786,845	11	5,545,531	17				3,936,996	11	4,490,335	13
Non-current Assets:							Non-current Liabilities:						
1523	Available for sale financial assets – non-current (Note VI(VII))		-	-	685,194	2	2527	Contract liabilities-non-current (Note VI (XXII), VII and IX)		1,103,030	3	-	-
1527	Held-to-maturity financial assets - non-current (Notes VI (VIII) and VII)		-	-	281,366	1	2540	Long-term borrowings (Note VI (XIV))		1,610,200	5	1,360,000	4
1543	Financial assets measured by cost - non-current (Note VI (IX))		-	-	298,640	1	2600	Other non-current liabilities (Note VI (XV), (XVII) and (XVIII))		960,957	3	443,351	1
1517	Financial assets measured at fair value through other comprehensive gains and losses - non-current (Note VI (III))		801,006	2	-	-	2670	Advance payment received -Non-current(Note VII and IX)		-	-	1,417,641	4
1535	Financial assets measured at amortized cost - non-current (Notes VI (IV) and VII)		281,366	1	-	-				3,674,187	11	3,220,992	9
1550	Investment with the equity method (Note VI (X) and (XI))		25,883,438	75	20,988,678	60		Total liabilities		7,611,183	22	7,711,327	22
1600	Real estate property, plant and equipment (Note Vi (XXII) and VIII)		3,589,549	11	6,333,415	18	Equity (Note VI (XIX)):						
1900	Other non-current assets (Note Vi (XVII))		117,213	-	178,030	-	3110	Capital – common stock		5,863,207	17	5,920,587	18
1980	Other financial assets – non-current (Note VIII)		33,482	-	19,805	-	3170	Pending share capital		(330)	-	-	-
1995	Long-term prepaid materials (Note IX)		-	-	521,540	1				5,862,877	17	5,920,587	18
			30,706,054	89	29,306,668	83	3200	Capital surplus		21,757,292	63	24,205,831	69
								Retained earnings:					
							3310	Legal reserve		311,579	1	311,579	1
							3320	Special reserve		513,302	1	513,302	1
							3350	Undistributed retained earnings (accumulated loss)		1,507,753	5	(317,629)	(1)
										2,332,634	7	507,252	1
							3400	Other equity		(3,071,087)	(9)	(3,322,937)	(10)
							3500	Treasury share		-	-	(169,861)	-
								Total equity		26,881,716	78	27,140,872	78
								Total liabilities and equity		\$ 34,492,899	100	34,852,199	100
Total assets		\$	34,492,899	100	34,852,199	100							

(The accompanying notes are an integral part of the individual financial statements.)

Chairman: Ming-kuang Lu

Managerial Officer: Hsiu-lan Hsu

Accounting Supervisor: Hsiu-ling Hsu

Sino-American Silicon Products Inc.
Statement of Comprehensive Income
From January 1, 2017 to December 31, 2018
Expressed in thousands of New Taiwan dollars

		2018		2017	
		Amount	%	Amount	%
4000	Operating revenue (Note VI (XXII), (XXIII) and VII)	\$ 8,430,747	100	11,282,980	100
5000	Operating cost (Note VI(VI), (XII) and VII)	12,218,087	145	11,959,612	106
	Gross Profit	(3,787,340)	(45)	(676,632)	(6)
	Operating expenses (Note VI (V), (XXIV), (XXX) and VII)				
6100	Marketing expense	65,558	1	66,787	1
6200	General and administrative expenses	186,847	2	143,398	1
6300	R&D expense	182,406	2	203,724	2
6450	Expected credit impairment loss (Note VI (V) and VII)	48,770	1	-	-
	Total operating expenses	483,581	6	413,909	4
	OPERATING REVENUE	(4,270,921)	(51)	(1,090,541)	(10)
	NON-OPERATING REVENUE AND GAINS:				
7010	Other income (Note VI (XXV) and VII)	53,020	1	50,152	-
7020	Other interest and loss (Note VI (XXVI) and VII)	(147,429)	(2)	(162,855)	(1)
7050	Financial costs (Note VI (XXVII))	(39,688)	-	(46,537)	-
7060	Share of profit or loss of subsidiaries and related companies with the equity method (Note VI (X))	6,430,774	76	2,275,232	20
		6,296,677	75	2,115,992	19
7900	Net income before tax	2,025,756	24	1,025,451	9
7950	Income tax expenses (Note VI (XXVIII))	75,253	1	(10,054)	-
	Net profit this period	1,950,503	23	1,035,505	9
8300	Other comprehensive income:				
8310	Items not to be reclassified into profit or loss				
8311	Remeasured defined benefit plan (Note VI (XVII))	(13,994)	-	(153)	-
8316	Unrealized gains and losses on valuation of equity instrument investments measured at fair value through other comprehensive gains and losses (Note VI (XIX))	(529,832)	(6)	-	-
8330	Share of other consolidated profit and loss of subsidiaries with the equity method (Note VI (XVII))	(93,347)	(1)	212,773	2
		(637,173)	(7)	212,620	2
8360	Items that may be subsequently reclassified into profit or loss				
8361	Exchange Differences in Conversion of Financial Statements of Foreign Operating Agencies (Note VI (XIX))	385,988	4	(76,543)	(1)
8362	Unrealized gains or losses on valuation of financial assets available for sales (Note VI (XIX))	-	-	23,914	-
8380	share of other consolidated profit and loss of subsidiaries and related companies with the equity method (Note VI (XXVIII))	(100,360)	(1)	(236,832)	(2)
8399	Income tax related to items that may be subsequently reclassified (Note VI (XVIII))	5,267	-	13,012	-
	Total items that may be subsequently reclassified into profit or loss	290,895	3	(276,449)	(3)
8300	Other comprehensive income (net of tax) for the period	(346,278)	(4)	(63,829)	(1)

(The accompanying notes are an integral part of the individual financial statements.)

Chairman: Ming-kuang Lu Managerial Officer: Hsiu-lan Hsu Accounting Supervisor: Hsiu-ling Hsu

	Total comprehensive income for the period	\$ 1,604,225	19	971,676	8
	Earnings per share (Unit: NT\$) (Note VI (XXI))				
9750	Basic earnings per share	<u>\$</u>	<u>3.36</u>		<u>1.80</u>
9850	Diluted earnings per share	<u>\$</u>	<u>3.34</u>		<u>1.79</u>

(The accompanying notes are an integral part of the individual financial statements.)

Chairman: Ming-kuang Lu Managerial Officer: Hsiu-lan Hsu Accounting Supervisor: Hsiu-ling Hsu

Sino-American Silicon Products Inc.
Statement of Changes in Equity
From January 1, 2017 to December 31, 2018

Expressed in thousands of New Taiwan Dollars

	Retained earnings							Other equity items							
	Ordinary share capital	Pending share capital	Capital surplus	Legal reserve	Special reserve	Undistribut ed retained earnings (Accumulat ed loss)	Total	Exchange difference for conversion of financial statements of foreign operating agencies	Financial assets measured at fair value through other comprehen sive gains and losses	Unrealized profits from available for sale financial instrument s	Employees' unearned remunerati on	Other	Total	Treasury share	Total Equity
Balance on January 1, 2017	\$ 5,800,312	-	18,821,483	311,579	513,302	(1,565,754)	(740,873)	(1,617,512)	-	(1,188,654)	-	(6,354)	(2,812,520)	(169,861)	20,898,541
Net profit this period	-	-	-	-	-	1,035,505	1,035,505	-	-	-	-	-	-	-	1,035,505
Other comprehensive income for the period	-	-	-	-	-	212,620	212,620	(355,822)	-	79,373	-	-	(276,449)	-	(63,829)
Total comprehensive income for the period	-	-	-	-	-	1,248,125	1,248,125	(355,822)	-	79,373	-	-	(276,449)	-	971,676
Distribution of cash dividends out of capital reserve	-	-	(861,714)	-	-	-	-	-	-	-	-	-	-	-	(861,714)
Employees execute stock options to issue new shares	60,625	-	234,013	-	-	-	-	-	-	-	-	-	-	-	294,638
Changes in net equity of subsidiaries and related companies with the equity method	-	-	5,670,627	-	-	-	-	-	-	-	-	2,052	2,052	-	5,672,679
Shares issued with restrictions on employee rights	60,000	-	343,200	-	-	-	-	-	-	-	(283,200)	-	(283,200)	-	120,000
Remuneration coast of shares with restrictions on employee rights	-	-	-	-	-	-	-	-	-	-	45,752	-	45,752	-	45,752
shares with restrictions on employee rights written-off	(350)	-	(1,778)	-	-	-	-	-	-	-	1,428	-	1,428	-	(700)
Balance on December 31, 2017	5,920,587	-	24,205,831	311,579	513,302	(317,629)	507,252	(1,973,334)	-	(1,109,281)	(236,020)	(4,302)	(3,322,937)	(169,861)	27,140,872
Adjusted amount according to the new criteria that apply for the first time	-	-	-	-	-	1,222,787	1,222,787	-	(2,338,298)	1,109,281	-	-	(1,229,017)	-	(6,230)
Rescheduled balance at the beginning of the period	5,920,587	-	24,205,831	311,579	513,302	905,158	1,730,039	(1,973,334)	(2,338,298)	-	(236,020)	(4,302)	(4,551,954)	(169,861)	27,134,642
Net profit this period	-	-	-	-	-	1,950,503	1,950,503	-	-	-	-	-	-	-	1,950,503
Other comprehensive income for the period	-	-	-	-	-	(107,341)	(107,341)	387,093	(626,030)	-	-	-	(238,937)	-	(346,278)
Total comprehensive income for the period	-	-	-	-	-	1,843,162	1,843,162	387,093	(626,030)	-	-	-	(238,937)	-	1,604,225
Loss made up by capital reserve	-	-	(317,629)	-	-	317,629	317,629	-	-	-	-	-	-	-	-
Distribution of cash dividends out of capital reserve	-	-	(1,759,511)	-	-	-	-	-	-	-	-	-	-	-	(1,759,511)

(The accompanying notes are an integral part of the individual financial statements.)

Chairman: Ming-kuang Lu

Managerial Officer: Hsiu-lan Hsu

Accounting Supervisor: Hsiu-ling Hsu

Changes in net equity of subsidiaries and related companies with the equity method	-	-	(245,680)	-	-	-	-	-	-	-	-	922	922	-	(244,758)
Treasury share cancellation	(55,550)	-	(114,311)	-	-	-	-	-	-	-	-	-	-	169,861	-
Received by gift	-	-	239	-	-	-	-	-	-	-	-	-	-	-	239
Remuneration cost of shares with restrictions on employee rights	-	-	(9,487)	-	-	-	-	-	-	-	160,686	-	160,686	-	151,199
Restrictions on employee rights invalid, pending for cancellation	(1,830)	(330)	(2,160)	-	-	-	-	-	-	-	-	-	-	-	(4,320)
Dispose of equity instruments measured at fair value through other comprehensive gains and losses	-	-	-	-	-	(1,558,196)	(1,558,196)	-	1,558,196	-	-	-	1,558,196	-	-
Balance on December 31, 2018	\$ 5,863,207	(330)	21,757,292	311,579	513,302	1,507,753	2,332,634	(1,586,241)	(1,406,132)	-	(75,334)	(3,380)	(3,071,087)	-	26,881,716

(The accompanying notes are an integral part of the individual financial statements.)

Chairman: Ming-kuang Lu

Managerial Officer: Hsiu-lan Hsu

Accounting Supervisor: Hsiu-ling Hsu

Sino-American Silicon Products Inc.

Statement of Cash Flow

From January 1, 2017 to December 31, 2018

Expressed in thousands of New Taiwan dollars

	2018	2017
Cash flows from operating activities:		
Net income before tax for the period	\$ 2,025,756	1,025,451
Adjustments:		
Income loss item		
Depreciation expense	981,913	1,034,098
Expected credit impairment loss	48,770	-
Financial assets measured at fair value through profit or loss and		
net loss of liabilities	11,291	-
Interest expenses	39,688	46,537
Interest income	(38,034)	(35,206)
Dividend income	(14,986)	(14,946)
Share-based payment compensation cost	151,199	45,752
Share of interests of subsidiaries and affiliates with the equity		
method	(6,430,774)	(2,275,232)
loss (gain) from the disposal and scrapping of real estate		
property, plant and equipment	41,421	(3,568)
Financial asset impairment loss	-	69,501
Allowance (reversal) for inventory valuation and obsolescence		
loss	66,125	(130,275)
Non-financial asset impairment loss	1,466,008	-
Other net loss without affecting cash flow	-	(9,837)
Total net loss items	<u>(3,677,379)</u>	<u>(1,273,176)</u>
Changes in assets and liabilities related to operating activities:		
Notes and accounts receivable (including related parties)	282,083	86,970
Inventories	1,584,411	(89,732)
Advance payment for materials	512,843	532,935
Other operating assets	37,716	11,799
Notes and accounts payable (including related parties)	(609,964)	(335,349)
Provisions	533,292	-
Contract liabilities/Advance payments received	(453,415)	(18,302)
The net defined benefit liabilities	(31,699)	(5,536)
Other operating liabilities	<u>(207,964)</u>	<u>156,808</u>
Total net changes in operating assets and liabilities	<u>1,647,303</u>	<u>339,593</u>
Total adjustments	<u>(2,030,076)</u>	<u>(933,583)</u>
Cash generated from operations inflow	(4,320)	91,868
Interest received	37,951	35,206
Share dividend received	14,986	14,946
Interest paid	(39,788)	(47,931)
Income tax paid	<u>(4,660)</u>	<u>(1,071)</u>
Cash provided by operating activities	<u>4,169</u>	<u>93,018</u>

(Continued on next page)

(The accompanying notes are an integral part of the individual financial statements.)

Chairman: Ming-kuang Lu Managerial Officer: Hsiu-lan Hsu Accounting Supervisor: Hsiu-ling Hsu

Sino-American Silicon Products Inc.
Statement of Cash Flows (continued from previous page)

From January 1, 2017 to December 31, 2018

Expressed in thousands of New Taiwan dollars

	<u>2018</u>	<u>2017</u>
Cash flows from investing activities:		
Financial assets at fair value through other comprehensive gains and losses	(205,059)	-
Acquired financial assets at fair value through gains and losses	(98,344)	-
Loan receivable – related party	283,527	(664,114)
long-term equity investment price with the equity method	(1,081,006)	(449,000)
Cash dividends of invested companies by equity method	2,226,116	555,732
real estate property, plant and equipment acquired and advance payments received for equipment	(414,734)	(241,189)
Payment from disposal of real estate property, plant and equipment	638,064	17,368
cash dividend of invested company with the equity method	(13,677)	4,831
Net cash inflow (outflow) from investment activities	<u>1,334,887</u>	<u>(776,372)</u>
Cash flows from financing activities:		
Decrease of short-term borrowings	352,212	604,913
Long-term borrowing	596,000	5,710,000
Repayment of long-term borrowings	(345,800)	(7,090,000)
Distribution of cash dividends out of capital reserve	(1,759,511)	(861,714)
Shares issued with restrictions on employee rights	-	120,000
Employees execute stock options	-	294,638
shares with restrictions on employee rights written-off	(4,320)	(700)
Received by gift	239	-
Cash flows used in financing activities	<u>(1,161,180)</u>	<u>(1,222,863)</u>
Increase (decrease) in cash and cash equivalents for the period	177,876	(1,906,217)
Cash and cash equivalents at beginning of year	673,428	2,579,645
Cash and cash equivalents at end of year	<u>\$ 851,304</u>	<u>673,428</u>

(The accompanying notes are an integral part of the individual financial statements.)

Chairman: Ming-kuang Lu Managerial Officer: Hsiu-lan Hsu Accounting Supervisor: Hsiu-ling Hsu

Attachment 4

Sino-American Silicon Products Inc.

PROFIT DISTRIBUTION TABLE

Year 2018

(Unit: NT\$)

Items	Amount
Beginning retained earnings	-
Add: Adjustments to the new guideline	1,222,786,623
Less: Adjustments to the remeasurements of defined benefit plans	(107,341,223)
Less: Disciplinary action of equity instruments through other comprehensive income measured at the fair value	(1,558,195,724)
Adjusted beginning retained earnings	(442,750,324)
Add: 2018 net profit after tax	1,950,503,835
Less: Legal reserve	(150,775,351)
Distributable retained earnings	1,356,978,160
Distributable Items:	
Less: Bonus to shareholders- Cash dividend NT\$2.3145/per share*	(1,356,962,768)
Ending balance of unappropriated retained earnings	15,392

Chairman:

President:

Chief Accounting:

Attachment 5

Sino-American Silicon Products Inc.

Comparison Chart of Codes of Ethical Conduct

Article	Before	After	Remark
1	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.	In order to encourage directors, independent 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.	Amendment on independent director
2	The Code is applicable to directors, managers and other staff, herein referred to as the SAS staff.	The Code is applicable to directors, independent directors , managers and other staff, herein referred to as the SAS staff.	Revision on independent director and wording adjustment
4	<p>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:</p> <ol style="list-style-type: none"> 1. Themselves or their spouse, parents, children, or relatives within the third degree of kinship. 2. Company or enterprise that will financially benefit from the abovementioned either directly or indirectly. 3. Company or enterprise of which the director or manager serve as a chairman, directors or 	<p>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:</p> <ol style="list-style-type: none"> 1. Themselves or their spouse, parents, children, or relatives within the second degree of kinship. 2. Company or enterprise that will financially benefit from the abovementioned either directly or indirectly. 3. Company or enterprise of which the director or manager serve as a chairman, directors or 	Amendments to the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies" issued by the authority

	<p>authorizing managers.</p> <p>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.</p>	<p>authorizing managers.</p> <p>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.</p>	
5	<p><u>When the company has an opportunity for profit</u>, the SAS staff should <u>protect and increase reasonable and proper benefits for the company, and</u> prevent following activities:</p> <ol style="list-style-type: none"> 1. Seeking an opportunity to pursue benefit whether for self or for others by using company property, information or taking advantage of their positions. 2. Obtaining personal benefit whether for self or for others by using company property, information or taking advantage of their positions. 3. Competing with the company. <p>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.</p>	<p><u>The SAS staff should prevent following behavior:</u></p> <ol style="list-style-type: none"> 1. Seeking an opportunity to pursue benefit whether for self or for others by using company property, information or taking advantage of their positions. 2. Obtaining personal benefit whether for self or for others by using company property, information or taking advantage of their positions. 3. Competing with the company. <p>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.</p>	<p>Amendments to the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies" issued by the authority</p>
9	<p>All the SAS staff shall comply with <u>and propagate</u> 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</p>	<p>All the SAS staff shall comply with 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</p>	<p>Amendments to the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed</p>

	company's products or service.	or service.	Companies" issued by the authority
10	<p>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.</p>	<p>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 should handle the cases in confidentiality and make employees aware that the company will use its best efforts to ensure the safety of informants.</p> <p>The implementation details of the reporting system shall be handled in accordance with the Company's "Measures for Handling Illegal, Immoral and Dishonest Acts."</p>	Amendments to the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies" issued by the authority
11	<p>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.</p>	<p>When a director, independent 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.</p> <p>If any employee of the Company other than the aforesaid violates the code of ethical conduct and is regarded with facts as to cause damage to the Company, the Company shall without delay disclose on the Market Observation Post System (MOPS) the name and</p>	This Code applies to all staff of the company and amendments were made in accordance with its circumstances.

		title of the violator, dates and reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. If the violator defined aforesaid considers the discipline is improper and impacts his/her legal rights, the violator can appeal via complaint system for remedy	
12	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.	If any staff of the Company 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, objection or reservation from the independent directors, 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 restrain 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.	This Code applies to all staff of the company and procedures for exemption were governed in accordance with "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies" issued by the authority.
13	The company shall disclose the code of ethical conduct and any amendment in the annual report, prospectuses and MOPS.	The company shall disclose the code of ethical conduct and any amendment in the official website , annual report, prospectuses and MOPS.	Amendments to the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM

			Listed Companies" issued by the authority
16	<p>The Procedures were enacted on May 7, 2013.</p> <p>The Procedures were revised on August 12, 2014.</p> <p>The Procedures were revised on December 18, 2014.</p>	<p>The Procedures were enacted on May 7, 2013.</p> <p>The Procedures were revised on August 12, 2014.</p> <p>The Procedures were revised on December 18, 2014.</p> <p>The Procedures were revised on March 21, 2019.</p>	Add amendment date

Attachment 6

Sino-American Silicon Products Inc.

Comparison Chart of Procedures for Ethical Management and Guidelines for Conduct

Article	Before	After	Remark
5	The Corporation shall designate the president's office as the solely responsible unit (hereinafter, "responsible unit") in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation.	<p>The Corporation shall designate the legal departments as the solely responsible unit (hereinafter, "responsible unit") in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. Main functions shall include the following items and shall be regularly reported to the board:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into this Corporation'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. 2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business. 3. 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 scope which are possibly at a higher risk for unethical conduct. 	Amend the power and responsibility units and the matters under their administration

		<p>4. <u>Promoting and coordinating awareness and educational activities with respect to ethics policy.</u></p> <p>5. <u>Developing a whistle-blowing system and ensuring its operating effectiveness.</u></p> <p>6. <u>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.</u></p>	
6	<p>Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Corporation shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:</p> <p>1.The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.</p> <p>2.The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.</p> <p>3.Invitations to guests or attendance at commercial activities</p>	<p>Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of this Corporation shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:</p> <p>1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.</p> <p>2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.</p> <p>3. Invitations to guests or attendance at commercial</p>	Amend the wording and specify the upper limit of the benefit

	<p>or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.</p> <p>4.Attendance at folk festivals that are open to and invite the attendance of the general public.</p> <p>5.Rewards, emergency assistance, condolence payments, or honorariums from the management.</p> <p>6.Property due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.</p> <p>7.Other conduct that complies with the rules of the Corporation.</p>	<p>activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.</p> <p>4. Attendance at folk festivals that are open to and invite the attendance of the general public.</p> <p>5. Rewards, emergency assistance, condolence payments, or honorariums from the management.</p> <p>6. Property with a market value of NT\$5000 or more received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative shall be subject to prior approval of the responsibility unit. In the event that the property is received due to no liability reason, it shall be reported to responsibility unit for ratification afterwards.</p> <p>7. Other conduct that complies with the rules of the Corporation.</p>	
7	<p>Except under any of the circumstances set forth in the preceding article, when any personnel of the Corporation are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures: (omit)</p>	<p>Except under any of the circumstances set forth in the preceding article, when any personnel of this Corporation are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures: (omit)</p>	Amend the article
12	<p>All personnel of the Corporation shall faithfully follow the</p>	<p>This Corporation shall set up a intellectual property unit charged</p>	Add related procedures

	operational directions pertaining to intellectual properties and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Corporation unrelated to their individual duties.	with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of this Corporation's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures. All personnel of the Corporation shall faithfully follow the operational directions pertaining to intellectual properties and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Corporation unrelated to their individual duties.	for the protection of intellectual property
13	The Corporation shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not inquire or collect any trade secrets irrelevant to its job position.	This Corporation shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.	Amend the article
14	The Corporation shall follow the applicable laws and regulations of the Securities and Exchange Act to prevent from any insider trading by any private secrets or leak of information to others.	All Company personnel shall adhere to the provisions of the Securities and Exchange Act and international standards, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.	Amendments to the "Procedures for Ethical Management and Guidelines for Conduct" issued by the authority
19		Before settling a contract with any	Add new

		<p><u>other party, the company shall have a full understanding of the other party's business integrity and shall incorporate the Company's business integrity policy into the contract with at least the following items:</u></p> <ol style="list-style-type: none"> <u>1. Either party shall promptly inform the other party of the identity, provision, commitment, demand or receipt of any person in violation of the terms of the contract prohibiting the receipt of commissions, kickbacks or other improper interests, and shall provide relevant evidence and cooperate with the investigation of the other party. If a party suffers any damage as a result, it may claim against the other party for damages equal to 50% of the contract amount and may deduct such amount from the contract price payable. Where the contract has no amount or the foregoing proportion of damages is insufficient to deter, the legal department shall be empowered to set the best terms.</u> <u>2. If either party is involved in any dishonest business activities, the other party may terminate or terminate the contract at any time unconditionally.</u> <u>3. Clear and reasonable payment contents shall be stipulated, including the place and method of payment in compliance with relevant tax laws and regulations.</u> 	article
19~23	Article 19~23	Article 20~24	Order adjustment
20	If any personnel of the Corporation discovers that another party has engaged in unethical conduct towards the Corporation, and such unethical conduct involves alleged illegality, the Corporation shall	If any personnel of the Corporation discovers that another party has engaged in unethical conduct towards the Corporation, and such unethical conduct involves alleged illegality, the Corporation shall	Relevant reference rules added to the original article 19

	report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Corporation shall additionally notify the governmental anti-corruption agency.	report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Corporation shall additionally notify the governmental anti-corruption agency. Relevant implementation details shall be handled in accordance with the company's "Measures for handling Illegal and Immoral and Dishonest Behavior".	
22	<p>The Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.</p> <p>If any personnel of the Corporation seriously violates ethical conduct, the Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Corporation.</p> <p>The Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.</p>	<p>The company's annual ethical management results may be reported to the board of directors together with the annual performance of the enterprise sustainable development committee.</p> <p>The Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.</p> <p>If any personnel of the Corporation seriously violates ethical conduct, the Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Corporation.</p> <p>The Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.</p>	Updating provisions for annual reporting to the board of directors
24	The Procedures and Guidelines were approved on March 22th, 2016.	The Procedures and Guidelines were approved on March 22th, 2016. The 1st amendment was made on March 21, 2019.	Add amendment date

Attachment 7

Sino-American Silicon Products Inc.

Comparison Chart of Articles of Incorporation

Article	Before	After	Remark
2	<p>The Company shall engage in the following business:</p> <p>CC01080 Electronic Parts and Components Manufacturing</p> <p>IG03010 Energy-related Technology and Service</p> <p>F401010 International Trade</p> <p>i. Research and development, design, manufacture and sell the following products:</p> <ul style="list-style-type: none"> ● Silicon-based semiconductor materials and their components ● Varistor ● Photovoltaic and communication materials <p>ii. The technology, management and advisory business related to the products listed above.</p> <p>iii. Photovoltaic system integration and installation services.</p> <p>iv. Import-export activities related to the above mentioned business.</p>	<p>The Company shall engage in the following business:</p> <p>CC01080 Electronic Parts and Components Manufacturing</p> <p><u>C801990 Other Chemical Materials Manufacturing</u></p> <p>IG03010 Energy-related Technology and Service</p> <p><u>F119010 Electronic Materials Wholesale (restricted to areas outside Hsinchu Science Park)</u></p> <p><u>F219010 Electronic Materials Retail (restricted to areas outside Hsinchu Science Park)</u></p> <p>F401010 International Trade</p> <p>Research and development, design, manufacture and sell the following products:</p> <ol style="list-style-type: none"> 1. Silicon-based semiconductor materials and their components 2. Varistor 3. Photovoltaic and communication materials 4. <u>Silicone Compound</u> 5. <u>The technology, management and advisory business related to the products listed above</u> 6. <u>Photovoltaic system integration and installation services</u> 7. <u>Import-export activities related to the above</u> 	<p>New business items added to meet the company's operational needs</p>

		mentioned business	
6	<p>The total capital stock of the Company shall be in the amount of NTD10,000,000,000, divided into 1,000,000,000 shares, at NTD10 par value, and may be issued separately. The Board of Directors is entitled to make resolutions to decide whether or not the unissued shares to be issued.</p> <p>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.</p> <p>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.</p>	<p>The total capital stock of the Company shall be in the amount of NTD10,000,000,000, divided into 1,000,000,000 shares, at NTD10 par value, and may be issued separately. The Board of Directors is entitled to make resolutions to decide whether or not the unissued shares to be issued.</p> <p>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.</p> <p>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.</p> <p>Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive treasury shares in accordance with the Company Act.</p> <p>Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitle to receive share subscription warrant.</p> <p>Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive new shares issued by the company.</p> <p>Qualification requirements of employees, including the employees of parents or</p>	<p>Revise the implementation target of the employee award system in accordance with the Company Act</p>

		subsidiaries of the company meeting certain specific requirements, entitled to receive restricted stock issued by the company.	
27	<p>If the Company has surplus after the yearly accounting closed, 3~15% of the profit shall be appropriated for the employees' remuneration distributed with stocks or cash decided by the board of directors. Employees entitled to bonus may include subsidiaries' employees that meet certain criteria. The Company may appropriate 3% at the most of the above profit quota decided by the board of directors for directors' remuneration. Distribution for employees and directors shall be reported to the shareholders' meeting. An offset, however, to the accumulated loss shall be reserved before making distribution to employees and directors.</p>	<p>If the Company has surplus after the yearly accounting closed, 3~15% of the profit shall be appropriated for the employees' remuneration distributed with stocks or cash decided by the board of directors. Employees entitled to bonus may include parents' or subsidiaries' employees that meet certain criteria. The Company may appropriate 3% at the most of the above profit quota decided by the board of directors for directors' remuneration. Distribution for employees and directors shall be reported to the shareholders' meeting. An offset, however, to the accumulated loss shall be reserved before making distribution to employees and directors.</p>	Revise the expanded target of employees' compensation to the parent company in accordance with the Company Act
27-1	<p>If the Company has surplus after the yearly accounting closed, following taxes and offsets to the accumulated loss, another 10% shall be appropriated as legal reserve by laws. While no appropriation shall be made, if the legal reserve has reached the amount of the paid-in capital of the Company. The remaining amount shall be appropriated or transferred to special reserve according to laws and the rest along with the accumulated surplus may be proposed by the board of directors for bonus distribution to shareholders and submit to the shareholders' meeting.</p> <p>In order to maintain continuous operating of the Company and steady growth of its surplus per share, dividend for shareholders shall more than 50% of the profit after tax deducting from the appropriation of special surplus of the year by the regulations and the distribution rate</p>	<p>If the Company has surplus after the yearly accounting closed, following taxes and offsets to the accumulated loss, another 10% shall be appropriated as legal reserve by laws. While no appropriation shall be made, if the legal reserve has reached the amount of the paid-in capital of the Company. The remaining amount shall be appropriated or transferred to special reserve according to laws and the rest along with the accumulated surplus may be proposed by the board of directors.</p> <p>The Company, in accordance with No.240-5 of the Company Act, may authorize the distributable dividends and bonuses in whole or in part to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number</p>	Amend in accordance with the Company Act

	of the dividend for shareholders shall be no less than 50% of the cash dividend.	of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. In order to maintain continuous operating of the Company and steady growth of its surplus per share, dividend for shareholders shall more than 50% of the profit after tax deducting from the appropriation of special surplus of the year by the regulations and the distribution rate of the dividend for shareholders shall be no less than 50% of the cash dividend.	
27-2		The Company, in accordance with No.241 of the Company Act, may authorize the distributable legal surplus reserve and capital reserve in whole or in part to be paid in new stock issuance or in cash according to the proportion of the shareholding of shareholders. Distribution in cash shall be determined after a resolution adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. Distribution in new share issuance shall be determined after a resolution at the shareholders' meeting.	Add new article in accordance with the Company Act
29	This articles of Incorporation is established on Dec 25th, 1980 (omit) The 30th amendment on June 27th, 2017 Implement after approvals from the meeting of stockholders	This articles of Incorporation is established on Dec 25th, 1980 (omit) The 30th amendment on June 27th, 2017 The 31th amendment on June 27th, 2019 Implement after approvals from the meeting of stockholders	Add amendment date

Attachment 8

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"> 1. Stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset- backed securities. 2. Tangible (including land, housing and construction, investment in real estate, usage rights of the land, inventory of the construction) and equipment. 3. Memberships 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Claims of financial institutions (e.g. receivables, bills purchased and discounted, loans, and past due receivables) 6. Derivatives 7. Asset acquired or disposed through merger, acquisition, spin-off, and share transfer 8. Other major assets 	<p>Asset referred in this policy includes:</p> <ol style="list-style-type: none"> 1. Stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset- backed securities. 2. Tangible (including land, housing and construction, investment in real estate, inventory of the construction) and equipment. 3. Memberships 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Right-of-use assets 6. Claims of financial institutions (e.g. receivables, bills purchased and discounted, loans, and past due receivables) 7. Derivatives 8. Asset acquired or disposed through merger, acquisition, spin-off, and share transfer 9. Other major assets 	<p>Amendments in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>
3	<p>Operating procedures</p> <ol style="list-style-type: none"> 1. Before any asset acquisition or disposal, responsible unit shall take into account the reasons, affecting objects, transaction parties, transfer price, terms of transaction, and references 	<p>Operating procedures</p> <ol style="list-style-type: none"> 1. Before any asset acquisition or disposal, responsible unit shall take into account the reasons, affecting objects, transaction parties, transfer price, terms of transaction, and references 	<p>Amendments in accordance with the “Regulations Governing the Acquisition</p>

	<p>of price.</p> <p>2. The Company's acquisition or disposal of assets shall be made in accordance with the Procedure.</p> <p>3. Amount limits for investment in non- operational purpose fixed assets and securities are as below:</p> <p>(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.</p> <p>(2) Omit...</p>	<p>of price.</p> <p>2. The Company's acquisition or disposal of assets shall be made in accordance with the Procedure.</p> <p>3. Amount limits for investment in non- operational purpose fixed assets or right-of-use assets, and securities are as below:</p> <p>(1) The total amount of non-operational purpose fixed assets or right-of-use assets purchased by the Corporation may not exceed 15% of the Corporation's net worth; the total amount of non-operational purpose fixed assets or right-of-use assets purchased by a subsidiary of the Corporation may not exceed 5% of the Corporation's net worth.</p> <p>(2) Omit...</p>	<p>and Disposal of Assets by Public Companies"</p>
4	<p>Appraisal rules</p> <p>1. The Company should proceed Acquisition or Disposal of Assets according to Article 8 of the procedure.</p> <p>(1) Acquisition or disposal of long-term securities and fixed assets whose value under 100 million shall be approved by Chairman.</p> <p>(2) Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under 100 million shall be approved by President.</p> <p>(3) The acquisition or disposal of equipment of which amount is under NT\$100,000,000 shall be</p>	<p>Limits of Authority</p> <p>1. The Company should proceed Acquisition or Disposal of Assets according to Article 8 of the procedure.</p> <p>(1) Acquisition or disposal of long-term securities and fixed assets or right-of-use assets whose value under 100 million shall be approved by Chairman.</p> <p>(2) Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under 100 million shall be approved by President.</p> <p>(3) The acquisition or disposal of equipment or right-of-use assets of which amount is under</p>	<p>Amendments in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

	<p>approved by the chairperson beforehand.</p> <p>2. Acquisition or Disposal of Assets shall proceed according to Article 8 of the procedure.</p>	<p>NT\$100,000,000 shall be approved by the chairperson beforehand.</p> <p>2. Acquisition or Disposal of Assets shall proceed according to Article 8 of the procedure.</p>	
5	<p>Public disclosure</p> <p>1. The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, within two days commencing immediately from the date of occurrence of the event, with the relevant data and information:</p> <p>(1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or buyback of the fund of the domestic money market issued by securities investment trust business unit.</p> <p>(2) Merger, acquisition, spin-off and share transfer</p> <p>(3) The transaction losses derived from derivatives reaches the upper limit set forth in the Financial Derivatives Transaction Procedure for all or any</p>	<p>Public disclosure</p> <p>1. The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, within two days commencing immediately from the date of occurrence of the event, with the relevant data and information:</p> <p>(1) Acquisition or disposal of real property <u>or right-of-use assets</u> from or to a related party, or acquisition or disposal of assets other than real property <u>or right-of-use assets</u> 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 <u>domestic</u> government bonds, bonds under repurchase, resale agreements, subscription or buyback of the fund of the domestic money market issued by securities investment trust business unit.</p> <p>(2) Merger, acquisition, spin-off and share transfer</p> <p>(3) The transaction losses derived from derivatives reaches the upper limit set forth in the Financial Derivatives Transaction Procedure for all or any</p>	<p>Amendments in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

	<p>individual contract.</p> <p>(4) Operational used equipment not exceeding NTD 500,000,000 and not purchased from related party.</p> <p>(5) Property built on own land or rent land, joint construction and allocation of house units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and invested amount is not exceeding NTD 500,000,000.</p> <p>(6) Except the above 5 mentioned situations, any transaction or investment in Mainland China amount exceed 20% of paid- in capital or NTD 300,000,000. The following does not apply to the limit:</p> <ol style="list-style-type: none"> Government bond Callable bond and puttable bond, subscription and redemption of the fund of the domestic money market. <p>2. Calculation criteria</p> <ol style="list-style-type: none"> 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). <p>3. One year period in sub-section 2 is dating back from the date of concerned transactions, the</p>	<p>individual contract.</p> <p>(4) Operational used equipment <u>or right-of-use assets</u> exceeding NT\$ 500 million and not purchased from related party.</p> <p>(5) Property built on own land or rent land, joint construction and allocation of house units, joint construction and allocation of ownership percentages, or joint construction and separate sale of an invested amount exceeding NT\$ 500 million <u>and not purchased from related party</u>.</p> <p>(6) Except the above 5 mentioned situations, any transaction or investment in Mainland China amount exceed 20% of paid- in capital or NTD 300,000,000. The following does not apply to the limit:</p> <ol style="list-style-type: none"> <u>Domestic</u> government bond Callable bond and puttable bond, subscription and redemption of the fund of the domestic money market. <p>2. Calculation criteria</p> <ol style="list-style-type: none"> Per transaction amount Cumulated amount with the same party or similar objects within one year. Cumulated amount of fixed asset <u>or right-of-use assets</u> 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). <p>3. One year period in sub-section 2 is dating back from the date of concerned transactions, the announced period is except</p>	
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	<p>announced period is except from counting in again.</p> <p>4. 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.</p> <p>5. Where any item required to be placed into a public announcement pursuant to these provisions is incorrect or not placed in the announcement and it is required to be supplemented, the whole announcement shall be remade and placed within 2 days into a public announcement and reported to the competent authority by the Company.</p> <p>6. 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.</p>	<p>from counting in again.</p> <p>4. 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.</p> <p>5. Where any item required to be placed into a public announcement pursuant to these provisions is incorrect or not placed in the announcement and it is required to be supplemented, the whole announcement shall be remade and placed within 2 days into a public announcement and reported to the competent authority by the Company.</p> <p>6. 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.</p>	
7	<p>The Company shall obtain an appraisal report prior to the date of occurrence of the event for tangible asset <u>or</u> equipments cost 20% of paid- in capital or more than NTD 300,000,000, unless transaction with government institutions, structures built on own land, structure build on rent land, or operational purpose machinery or equipment. Also the following requirements shall be followed:</p> <p>1. In the case that the price is decided from limited price,</p>	<p>The Company shall obtain an appraisal report prior to the date of occurrence of the event for tangible asset, equipments <u>or right-of-use assets</u> cost 20% of paid- in capital or more than NTD 300,000,000, unless transaction with <u>domestic</u> government institutions, structures built on own land, structure build on rent land, or acquisition of operational purpose machinery and equipment <u>or right-of-use assets</u>. Also the following requirements shall be followed:</p>	<p>Amendments in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

	<p>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.</p> <p>2. Obtain more than 2 professional appraisals if the transaction amount is more than NTD 1,000,000,000.</p> <p>(omit)</p>	<p>1. In the case that the price is decided from limited price, specified price or special price, the transaction shall be submitted for approval by the board of directors. Any changes in transaction terms and conditions, the same procedure should be followed.</p> <p>2. Obtain more than 2 professional appraisals if the transaction amount is more than NTD 1,000,000,000.</p> <p>(omit)</p>	
9	<p>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 institutions, an accountant shall be retained prior to the date of occurrence of the event to express opinions on the reasonableness of the transaction price and the accountant shall handle the matter pursuant to the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>(omit)</p>	<p>In acquiring or disposing intangible assets, right-of-use assets or membership certificate 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 domestic government institutions, an accountant shall be retained prior to the date of occurrence of the event to express opinions on the reasonableness of the transaction price and the accountant shall handle the matter pursuant to the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>(omit)</p>	Amendments in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"
11	<p>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.</p>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding</p>	Amendments in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

		<p><u>Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime.</u></p> <p><u>However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u></p> <ol style="list-style-type: none"> <u>2. May not be a related party or de facto related party of any party to the transaction.</u> <u>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u> <p><u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</u></p> <ol style="list-style-type: none"> <u>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u> <u>2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u> <u>3. They shall undertake an</u> 	
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		<p>item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	
12	<p>1. 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.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph should be made in accordance with Article 9 herein.</p> <p>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. When the Company intends to acquire or dispose of real property from or to a related</p>	<p>1. 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.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph should be made in accordance with section 2 of Article 9 herein.</p> <p>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. When the Company intends to acquire or dispose of real</p>	Amendments in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

	<p>party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, apart from transactions of bonds, RP and RS bonds, the subscription or buyback of the domestic money market issued by securities investment trust business unit, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the audit committee:</p> <ol style="list-style-type: none"> (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (2) Reasons of determination of the related persons as the transaction party (3) With respect to the acquisition of real property from a related party, relevant information for evaluating the reasonableness of the anticipated transaction conditions pursuant to the related provisions (4) Items such as the date and price originally acquired by the related party, transaction counterparty and its relations between the Company and the related party (5) The forecasting chart for cash received in each month for one year in the future from the 	<p>property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets 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 domestic bonds, RP and RS bonds, the subscription or buyback of the domestic money market issued by securities investment trust business unit, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the audit committee:</p> <ol style="list-style-type: none"> (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (2) Reasons of determination of the related persons as the transaction party (3) With respect to the acquisition of real property or right-of-use assets from a related party, relevant information for evaluating the reasonableness of the anticipated transaction conditions pursuant to the related provisions (4) Items such as the date and price originally acquired by the related party, transaction counterparty and its relations between the Company and the related party (5) The forecasting chart for cash received in each 	
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	<p>anticipated month of contract execution, with the evaluation on the necessity of the transaction and the reasonableness of the fund usage</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Conditions and other important agreed items of the transaction</p> <p>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.</p> <p>With respect to the acquisition or disposal of business-use equipment between the Company and its parent or subsidiaries, the company's board of directors may delegate the chairman to decide such matters when the transaction is within NT\$100,000,000 and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>3. When the Company acquires fixed assets from related parties, the reasonableness of transaction cost should be evaluated in accordance with</p>	<p>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</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Conditions and other important agreed items of the transaction</p> <p>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.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent, subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within NT\$100 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>1. Acquisition or disposal of equipment or right-of-use</p>	
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	<p><u>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.</u></p> <p>(1) Based upon the related party's transaction price plus necessary interest on funding and the cost to be borne by the buyer according to law. The "necessary interest on funding" is imputed as the weighted average interest rate of the fund borrowed by the Company in the year of purchase of the asset.</p> <p>(2) Total loan value appraised by a financial institution if such object has been mortgaged to the financial institution for a loan; provided that the actual cumulative amount loaned by the financial institution for the object shall reach 70% or more of the appraised total value and the loan period is more than one year. However, this shall not apply if the financial institution and either party of the transaction are related persons.</p> <p>4. 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 <u>the preceding</u> three paragraphs do not apply:</p> <p>(1) The related party acquired</p>	<p><u>assets thereof held for business use.</u></p> <p>2. <u>Acquisition or disposal of real property right-of-use assets held for business use.</u></p> <p>3. When the Company acquires fixed assets <u>or right-of-use assets</u> 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.</p> <p>(1) Based upon the related party's transaction price plus necessary interest on funding and the cost to be borne by the buyer according to law. The "necessary interest on funding" is imputed as the weighted average interest rate of the fund borrowed by the Company in the year of purchase of the asset.</p> <p>(2) Total loan value appraised by a financial institution if such object has been mortgaged to the financial institution for a loan; provided that the actual cumulative amount loaned by the financial institution for the object shall reach 70% or more of the appraised total value and the loan period is more than one year. However, this shall not apply if the financial institution and either party of the</p>	
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	<p>the real estate due to succession or gift.</p> <p>(2) The lapse between the date of acquisition of real estate and the date of the transaction has been more than five years.</p> <p>(3) The acquisition of real estate is based on the cooperative construction contract with the related parties or own-land construction via agency by agreement, construction on rental land via agency by agreement etc.</p> <p>5. 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.</p> <p>(1) The related party who acquires bare land or rent a land for reconstruction may provide evidence to prove the conformity of one of the followings.</p> <p>a. The total amount of the bare land assessed according to the method of the preceding article and the house assessed by adding reasonable profit to the construction cost exceeds the actual transaction price.</p> <p>b. The transaction terms is fair and reasonable comparing to other transactions of other floors of the same object or in the</p>	<p>transaction are related persons.</p> <p><u>Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</u></p> <p><u>The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.</u></p> <p>4. Where the Company acquires real property <u>or right-of-use assets</u> from related parties and one of the following circumstances exists, the acquisition shall be conducted in accordance with the section 2 in this Article and the preceding section 3 do not apply:</p> <p>(1) The related party acquired the real estate <u>or right-of-use assets</u> due to succession or gift.</p> <p>(2) The lapse between the date of acquisition of real estate <u>or right-of-use assets</u> and the date of the transaction has been more than five years.</p> <p>(3) The acquisition of real estate is based on the cooperative construction contract with the related parties or own-land construction via agency by agreement, construction on rental land via agency by agreement etc.</p> <p>(4) <u>The real property</u></p>	
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	<p>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.</p> <p>c. The transaction terms is fair and reasonable comparing to other transactions of other floors of the same object conducted by non related parties within one year taking into account the reasonable price difference in the light of real estate transaction rent customs.</p> <p>(2) The Company provides evidence to prove that the real estate acquired from related parties has the transaction terms which are fair and reasonable comparing to other transactions in the neighborhood.</p> <p>(3) The transaction in the neighborhood in the preceding paragraph shall mean the transaction of the real estate on the same or nearby street with a distance of less than 500 meters from the estate in question. The term “similar size” means that in the case of transaction of non-related party, the size is not less than 50% of the estate in question. The “within one year” means dating back for one year from the date of acquiring this real estate.</p> <p>6. If the outcome of evaluation of the real estate acquired from the related parties is lower</p>	<p>right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</p> <p>5. When the results of a public company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with section 6 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>a. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross</p>	
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	<p>than the transaction price, the following measures shall be taken.</p> <p>(1) The special reserve shall be appropriated pursuant to the related laws for the price difference between the transaction price and the assessment and shall not be distributed or used for capital increase.</p> <p>(2) Supervisors shall handle the matter pursuant to Article 218 of Company Act.</p> <p>(3) The measures taken according to section 1 and section 2 shall be reported to the meeting of shareholders and the detailed content of the transaction shall be disclosed in the annual report and prospectus.</p> <p>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.</p> <p>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.</p>	<p>operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>b. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>(2) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>(3) Completed transactions involving neighboring or closely valued parcels of</p>	
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		<p>land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p> <p>6. Where a public company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the section 3 to 5 of this Article are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>(1) A special reserve shall be set aside in accordance with the rules against the difference between the real property or right-of-use assets transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under the rules shall be set aside pro rata in a</p>	
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		<p>proportion consistent with the share of public company's equity stake in the other company.</p> <p>(2) The audit committee shall comply with Article 218 of the Company Act.</p> <p>(3) Actions taken pursuant to the preceding subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>When The Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	
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	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	Wording adjustment

	<p>approve the merger, spin-off, or acquisition.</p> <p>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.</p> <p>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.</p>	<p>approve the merger, spin-off, or acquisition.</p> <p>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.</p> <p>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.</p>	
15	<p>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.</p> <p>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.</p> <p>The Company shall prepare the following information in written record and retain it for 5 years for check.</p> <ol style="list-style-type: none"> 1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, split, acquisition, or transfer of another company's shares prior to 	<p>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.</p> <p>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.</p> <p>The Company shall prepare the following information in written record and retain it for 5 years for check.</p> <ol style="list-style-type: none"> 1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, split, acquisition, or transfer of another company's shares prior to 	Wording adjustment

	<p>disclosure of the information.</p> <p>2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.</p> <p>3. Important documents and minutes: Including merger, spin-off, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p>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.</p> <p>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.</p>	<p>disclosure of the information.</p> <p>2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.</p> <p>3. Important documents and minutes: Including merger, spin-off, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p>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.</p> <p>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 regulations.</p>	
25	<p>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 written objection or statement from Directors of the Board shall be submitted to the audit committee.</p> <p>The opinions of each independent director shall be given adequate consideration, and their consenting or dissenting opinions and the</p>	<p>After the Procedures are approved by more than half of all audit committee, the Procedures shall be submitted to the board of directors, and ratified by the Shareholders Meeting. Any written objection or statement from directors of the Board shall be submitted to the shareholders' meeting.</p> <p>If approval of more than half of all</p>	<p>Amendments in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

	<p><u>reasons for them shall be entered into the minutes of the board of directors meeting.</u></p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>The Audit Committee members and the board of directors' members in preceding paragraph will only calculate the members in present position.</u></p> <p><u>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.</u></p> <p><u>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.</u></p>	<p><u>audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</u></p> <p><u>All members of the audit committee and all directors referred to in the preceding paragraph shall be the actual incumbents.</u></p>	
26		<p><u>If the manager or the sponsor violates the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" or this procedure, the punishment shall be dealt with in accordance with the</u></p>	Add new article

		<u>Company's "Measures for the Personnel Review Committee".</u>	
27	(omit)	(omit) <u>The 18th amendment was made on June 27, 2019.</u>	Add amendment date

Attachment 9

Sino-American Silicon Products Inc.

Comparison Chart of Policies and Procedures for Financial Derivatives Transactions

Article	Before	After	Remark
2	The term "derivatives" in these Procedures means products such as forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts whose value is derived from assets , interest rates, foreign exchange rates, indices, or other interests , and compound derivatives formed by combinations of the aforesaid products.	The term “derivatives” in this Procedures refers to its value by a given interest rate, financial instrument prices, commodity prices, exchange rates, prices or rate index, the index of credit rating or credit, or other variables derived by the forward contracts and options contracts, futures contracts, leverage margin contracts, exchange contracts, the combination of the contracts, or embedded derivatives combined contracts or structured products, etc.	Amendments in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”
3	The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements .	The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) covenants .	Wording adjustment
9	The total contract amount from the derivative trading shall not exceed 100% of the total foreign currency from accounts receivable, amount payable plus deposit, and shall be reported to the latest BOD meeting after transaction. Any currency hedging apart from business needs should adopt the assets (liability) which are held or anticipated to trade as ceiling. If overseas acquisition adopts acquisition price	The total contract amount from the derivative trading shall not exceed 100% of the total foreign currency from accounts receivable, amount payable plus deposit, and shall be reported to the latest BOD meeting after transaction. Any currency hedging apart from business needs should adopt the assets (liability) which are held or anticipated to trade as ceiling. If overseas acquisition adopts acquisition price	Wording adjustment

	as ceiling, and so are loan balance for loan, total balance outstanding for overseas equity or bonds or other financial products, it can only be executed after BOD approval. If no prior report is made to the BOD ahead of time, the chairman shall be authorized to execute after reviewing the situation of the financial market according to the estimation data provided by the finance department and report to the latest BOD meeting after execution.	as ceiling, and so are loan balance for loan, total balance outstanding for overseas equity or bonds or other financial products, it can only be executed after BOD approval. If no prior report is made to the BOD ahead of time, the chairman may be authorized to execute according to the operation evaluation reported by the financial department and report to the latest BoD meeting after transaction.	
16	A. omit B. omit C. Periodic evaluation: (1) ~ (3) omit (4) The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 2 of Article 18 and subparagraph 2 of this article shall be recorded in detail in the log book.	A. omit... B. omit... C. Periodic evaluation: (1) ~ (3) omit... (4) The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 1-2 of this article shall be recorded in detail in the log book.	Wording adjustment according to the provision
17	An internal auditor shall regularly review the appropriateness of the derivatives transaction internal control system, conduct monthly checks on how well the trading unit is complying with these Procedures, analyze transaction cycles, and include their findings in an audit report. Where a material violation is discovered, they shall notify the audit committee in writing and the Company's persons-in-charge shall be subject to castigation.	An internal auditor shall regularly review the appropriateness of the derivatives transaction internal control system, conduct monthly checks on how well the trading unit is complying with these Procedures, analyze transaction cycles, and include their findings in an audit report. Where a material violation is discovered, they shall notify the audit committee in writing format. The managerial person who is in charge of the derivatives	Amendments in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

		<u>transaction shall follow this principles and procedures. If any violation, punishment shall be conducted according to the personnel evaluation committee of the Company.</u>	
18	<p>After these Procedures have been approved by the audit committee <u>and</u> board of directors, they shall be submitted to a shareholders meeting for approval; the same applies when the Procedures are amended. If any director expresses dissent and it is on record or in a written statement, the director's dissenting opinion shall be delivered to the shareholders meeting.</p> <p>Where the position of independent director(s) has been created, when these Procedures are submitted for deliberation by the board of directors, each independent director's opinions shall be taken into full consideration; the independent directors' specific opinions of assent or dissent and the reasons therefore shall be included in the minutes of the board of directors meeting.</p>	<p>After these Procedures have been approved by <u>more than half of the audit committee</u> and the board of directors, they shall be submitted to a shareholders meeting for approval <u>and implementation</u>; the same applies when the Procedures are amended. If any director expresses dissent and it is on record or in a written statement, the director's dissenting opinion shall be delivered to the shareholders meeting.</p> <p><u>As referred to in the preceding paragraph shall, without the consent of at least half of the audit committee members, be approved by more than two-thirds of the directors, and be recorded in the minutes of the board meeting.</u> <u>In the preceding paragraph the audit committee members and all the directors shall be calculated in real incumbents.</u></p>	Amendments in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”
19	(omit)	<p>(omit)</p> <p><u>The 6th amendment was made on June 27, 2019.</u></p>	Add amendment date

Attachment 10

Sino-American Silicon Products Inc.

Comparison Chart of Procedures for Lending Funds to Other Parties

Article	Before	After	Remark
3	<p>The total loan amount to others shall be varied according to the situations as follows.</p> <p>1 omit 2 omit</p> <p>The total amount for fund-lending between the subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company will not be subject to the limit of net worth described in item 2, <u>total loan amount to others shall not exceed the twice of the net worth of the Company. The amount lent to a single recipient shall not exceed 40% of the net worth of the Company.</u></p>	<p>The total loan amount to others shall be varied according to the situations as follows.</p> <p>1. omit... 2. omit...</p> <p><u>The restriction in the preceding paragraph, subparagraph 2 shall neither apply to Inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares is nether subject to the restriction in the preceding paragraph, section 2 , nor subject to the restriction of capital loan and term of one year as set forth in Article 4, paragraph 1. However, capital loan limits and terms are still required to be described in its internal operation procedure.</u></p>	Amendments in accordance with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”
4	<p>The term of each loan extended by the Company shall not exceed one year from the loan origination date. The interest rate shall be determined on the basis of the Company’s funding, but in no event shall it be higher than the Company’s highest short-term bank borrowing rate at the time of lending. The interests shall be calculated on a daily basis. Interest payment period and method are based on the mutual agreement.</p> <p><u>The loans of the company and</u></p>	<p>The term of each loan extended by the Company shall not exceed one year from the loan origination date. The interest rate shall be determined on the basis of the Company’s funding, but in no event shall it be higher than the Company’s highest short-term bank borrowing rate at the time of lending. The interests shall be calculated on a daily basis. Interest payment period and method are based on the mutual agreement.</p> <p>With special circumstance and</p>	Deletion for the duplicate with Article 5 of the review procedure

	<p><u>subsidiaries or subsidiaries and subsidiaries shall be submitted to the Board of Directors for approval in accordance with aforesaid Article. Once the loans are approved by the Board, the chairman of the Board is authorized to allocate the fund within a year under approved limits in several installments or revolving allocations.</u></p> <p><u>The aforesaid loan amount shall be in accordance with Article 3. The loan amount of the Company or subsidiaries to any single enterprise shall not exceed 10% of the net worth of the latest financial report of the Company.</u></p> <p>With special circumstance and the approval of Board of Directors, the term of loan may be extended depending on its actual situation. Same applied to 100% holding foreign subsidiary of the Company.</p>	<p>the approval of Board of Directors, the term of loan may be extended depending on its actual situation. Same applied to 100% holding foreign subsidiary of the Company.</p>	
5	<p>Review Process</p> <ol style="list-style-type: none"> omit omit After reviewed by the financial department of the Company that the borrower is in need of the loan and capable of redemption, the financial department shall compile the review data and submit <u>to the board meeting for resolution. The board meeting shall not authorize any third person to determine. If the Company has established independent directors, relevant opinions shall be taken into account by the board meeting during discussion and take minutes on all details of con and pro.</u> 	<p>Review Process</p> <ol style="list-style-type: none"> omit... omit... After reviewed by the financial department of the Company that the borrower is in need of the loan and capable of redemption, the financial department shall compile the review data and submit <u>for the approval of more than half of all members of the audit committee before submitting to the board of directors for resolution. Without the consent of more than half of the members of the audit committee, it may be implemented with the consent of more than two-thirds of the directors,</u> 	<p>Amendments in accordance with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”</p>

	<p>4 Loans between the Company and its subsidiary or the subsidiaries themselves shall comply with the aforesaid procedures to submit to the board meeting for resolution of authorizing the chairman to execute appropriation or revolving the certain amount of the loan within one year to the same borrower. The so-called certain amount shall follow the Procedure and not exceed 10% of the net value in the latest financial performance of the Company.</p> <p>5 ~ 7 omit</p>	<p>and the resolution shall be recorded in the minutes of the board of directors.</p> <p>4 Loans between the Company and its subsidiary or the subsidiaries themselves shall comply with the aforesaid procedures to submit to the board meeting for resolution of authorizing the chairman to execute appropriation or revolving the certain amount of the loan within one year to the same borrower. The so-called certain amount shall follow the Procedure and not exceed 10% of the net value in the latest financial performance of the company_ that provides the loan.</p> <p>5 ~ 7 omit...</p>	
6	<p>Internal Contorl</p> <p>1 omit</p> <p>2 The internal auditing personnel of the Company shall audit the execution of the operation of lending of funds of the Company at least every quarter and produce a written auditing report. During the auditing, the internal auditor shall immediately correct violation(s) upon finding any violation. If the violation found is material, the personnel who violate the Procedures shall be penalized in accordance with the related rules of the Company. Meanwhile, the auditor shall immediately report such violation in writing to the audit committee of the Company.</p> <p>3 If the borrower no longer</p>	<p>Internal Contorl</p> <p>1. omit</p> <p>2. The internal auditing personnel of the Company shall audit the execution of the operation and the Procedure of lending of funds of the Company at least every quarter and produce a written auditing report. In the event of a material breach, the audit committee shall be notified in writing immediately. In case of any major violation, the manager and the organizer shall be punished according to the violation.</p> <p>3. If the borrower no longer meets the requirements of the Procedures, or the total outstanding lending amount exceeds the</p>	<p>Amendments in accordance with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”</p>

	meets the requirements of the Procedures, or the total outstanding lending amount exceeds the lending limit approved by the Board of Directors due to unforeseeable changes of circumstances, the Company shall produce an improvement plan. In addition, the improvement plan shall be submitted to the audit committees of the Company for review. The aforesaid improvement plan shall be accomplished according to the planned schedule thereof	lending limit approved by the Board of Directors due to unforeseeable changes of circumstances, the Company shall produce an improvement plan and submit to the audit committee of the Company for review. The aforesaid improvement plan shall be accomplished according to the planned schedule thereof	
9	<p>1 omit</p> <p>2 omit</p> <p>3 The subsidiary's, if an public company, internal auditor personnel shall perform auditing on the Company's lending profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's audit department. The Company's audit department shall submit written report to audit committees.</p> <p>4 omit</p>	<p>1 omit...</p> <p>2 omit...</p> <p>3 The subsidiary's, if an public company, internal auditor personnel shall perform auditing on the Company's lending profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's audit department. The Company's audit department shall submit written report to the audit committee.</p> <p>4 omit...</p>	Amendments in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies"
10	After passage by the audit committee and the Board of Directors, these Procedures shall be sent to all supervisors and submitted to the shareholders meeting for approval. If any director expresses an objection and there is a record or written statement of the objection, the Company shall forward the director's objection to all supervisors and submit it to the shareholders meeting for	The Procedure shall be implemented after the approval of more than half of the audit committee and the resolution of the board of directors is submitted to the board of shareholders for approval. If any director expresses any objection and there is a record or written statement, the company shall submit such objection to the board of shareholders for discussion, and the same shall	Amendments in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies"

	<p>discussion. The same procedures shall apply to any amendments to these Procedures.</p> <p><u>If the Company has appointed an independent director(s), the opinions of each independent director shall be given full consideration when the matter is submitted for discussion by the board of directors, and each independent director's explicit assenting or dissenting opinion and reasons for dissent shall be recorded in the board of directors meeting minutes.</u></p>	<p>apply to amendment.</p> <p><u>Without the consent of more than half of the members of the audit committee, the preceding paragraph may be implemented under the consent of more than two-thirds of the directors, and the resolutions of the audit committee shall be set forth in the minutes of the board of directors.</u></p> <p><u>All members of the audit committee and all directors referred to in the preceding paragraph shall be the actual incumbents.</u></p>	
11	(omit)	<p>(omit)</p> <p><u>The 11th amendment was made on June 27, 2019.</u></p>	Add amendment date

Attachment 11

Sino-American Silicon Products Inc.

Comparison Chart of Procedures for Endorsement and Guarantee

Article	Before	After	Remark
5	<p>1 omit</p> <p>2 In the event that the balance of endorsement and/or guarantee meets one of the following standards, the Company shall make an announcement in MOPS within 2 days commencing immediately from the date of occurrence of the event.</p> <p>(1) omit</p> <p>(2) omit</p> <p>(3) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, <u>long-term orientated</u> 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.</p> <p>(4) omit</p> <p>3 omit</p> <p>4 omit</p>	<p>1. omit...</p> <p>2. In the event that the balance of endorsement and/or guarantee meets one of the following standards, the Company shall make an announcement in MOPS within 2 days commencing immediately from the date of occurrence of the event.</p> <p>(1) omit...</p> <p>(2) omit...</p> <p>(3) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, <u>carrying amounts of investments using equity method in</u>, 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.</p> <p>(4) omit...</p> <p>3 omit...</p> <p>4 omit...</p>	<p>Amendments in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies"</p>
6	<p>Any endorsement/guarantee provided by the Company shall be approved beforehand by <u>the Board of Directors</u>. A pre-determined limit of US\$1</p>	<p>Any endorsement/guarantee provided by the Company shall be approved by <u>more than half of all members of the audit committee before submitting to the board of</u></p>	<p>Amendments in accordance with the "Regulations Governing Loaning of Funds</p>

	<p>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.</p> <p><u>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.</u></p> <p>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.</p>	<p><u>directors for resolution. Without the consent of more than half of the members of the audit committee, it may be implemented under the consent of more than two-thirds of the directors, and the resolution of the audit committee shall be set out in the minutes of the board.</u> 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.</p> <p>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.</p>	<p>and Making of Endorsements/Guarantees by Public Companies"</p>
12	<p>The Procedures shall be submitted to the audit committee and the board of the Company for approval, and then ratified by the Shareholders Meeting of the Company. Any amendment is subject to the same procedure. Any written objection or statement from directors of the Board of the Company shall be submitted to the Shareholders Meeting for discussion. If the Company has independent Director(s), the opinions of objection or endorsement from the independent Director(s) of the Company shall be placed on</p>	<p>The Procedures shall be implemented after <u>the approval of more than half of all the members</u> of the audit committee and the <u>resolution</u> of the board of directors shall be submitted to the shareholders meeting for approval. If any director expresses any objection and with a record or written statement, the company shall submit such objection to the shareholders meeting for discussion, and the same shall apply to amendments.</p> <p><u>Without the consent of more than half of the members of the audit</u></p>	<p>Amendments in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies"</p>

	record in the minutes of the Board of Directors of the Company.	committee, the preceding paragraph may be implemented under the consent of more than two-thirds of the directors, and the resolutions of the audit committee shall be set forth in the minutes of the board of directors. All members of the audit committee and all directors referred to in the preceding paragraph shall be the actual incumbents.	
13	(omit)	(omit) The 10th amendment was made on June 27, 2019.	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 taperecorded 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.

The 5th amendment was made on June 26, 2018.

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

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

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

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

vii. Photovoltaic system integration and installation services.

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

Article 3

The Company may make reinvestment.

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

Article 4

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

Article 5

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

Article 5-1

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

Chapter II. Capital Stock

Article 6

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

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

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

Article 7

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

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

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

Article 8

All the Company's stock-related affairs shall be dealt in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies and other relevant regulations.

Article 9

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 10

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 11

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 12

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 13

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 14

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 15

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

Chapter IV. Directors and the Audit Committee

Article 16

1. The Company shall have 7 to 13 directors to be elected at the shareholders' meeting by adopting the candidate nomination system specified in 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 16-1

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.

The composition of the audit committee, duties, rules and other related affairs shall be conducted in accordance with regulations issued by the securities institutions.

Article 17

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 18

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 19

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.

Article 20

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

Article 21

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 22

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 23

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

Article 24

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 25

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

Article 26

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 27

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

Article 27-1

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

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

Chapter VII. Supplementary Provisions

Article 28

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

Article 29

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

The 1st amendment on May 21st, 1984

The 2nd amendment on July 20th, 1984

The 3rd amendment on June 26th, 1987

The 4th amendment on Nov 16th, 1987

The 5th amendment on Aug 4th, 1989

The 6th amendment on May 29th, 1990

The 7th amendment on June 14th, 1991

The 8th amendment on June 23rd, 1993

The 9th amendment on May 30th, 1995

The 10th amendment on Nov 3rd, 1997

The 11th amendment on June 12th, 1998

The 12th amendment on June 16th, 1999

The 13th amendment on Sep 7th, 1999

The 14th amendment on May 23rd, 2000

The 15th amendment on May 21st, 2001

The 16th amendment on June 21st, 2002

The 17th amendment on June 13th, 2003

The 18th amendment on June 24th, 2004

The 19th amendment on June 3rd, 2005

The 20th amendment on June 8th, 2006

The 21st amendment on June 21st, 2007

The 22nd amendment on June 19th, 2008

The 23rd amendment on June 3rd, 2009

The 24th amendment on June 15th, 2010

The 25th amendment on June 17th, 2011

The 26th amendment on June 27th, 2012

The 27th amendment on June 25th, 2013

The 28th amendment on June 26th, 2014

The 29th amendment on June 28th, 2016

The 30th amendment on June 27th, 2017

Implement after approvals from the meeting of stockholders

Appendix 3

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:

1. Themselves or their spouse, parents, children, or relatives within the third degree of kinship.
2. Company or enterprise that will financially benefit from the abovementioned either directly or indirectly.
3. 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:

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

2. Obtaining personal benefit whether for self or for others by using company property, information or taking advantage of their positions.
3. 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 being approved by the audit committee and board of directors, and submitted to the shareholders' meeting.

Article 16 (Modification Date)

The Procedures were enacted on May 7, 2013.

The Procedures were revised on August 12, 2014.

The Procedures were revised on December 18, 2014.

Appendix 4

Sino-American Silicon Products Inc.

Procedures for Ethical Management and Guidelines for Conduct

Article 1 (Purpose of adoption and scope of application)

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

Article 2 (Applicable subjects)

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

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

Article 3 (Unethical conduct)

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

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

Article 4 (Types of benefits)

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 5 (Responsible unit)

The Corporation shall designate the president's office as the solely responsible unit (hereinafter,

"responsible unit") in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation.

Article 6 (Prohibition against providing or accepting improper benefits)

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

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

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

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

- 1.If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Corporation's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
- 2.If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

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

- 1.When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.

2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.

3. Other circumstances in which a decision regarding the Corporation's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

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

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

The Corporation shall neither provide nor promise any facilitating payment.

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

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

Article 9 (Procedures for handling political contributions)

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

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.

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

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

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

Article 10 (Procedures for handling charitable donations or sponsorships)

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

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

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

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

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

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

Article 11 (Recusal)

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

If in the course of conducting company business, any personnel of the Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

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

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

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

Article 13 (Prohibition against disclosure of confidential information)

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

Article 14 (Prohibition against insider trading)

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

Article 15 (Non-disclosure agreement)

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

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

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

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

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

Article 18 (Avoidance of commercial dealings with unethical operators)

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

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

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

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

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

If any personnel of the Corporation discovers that another party has engaged in unethical conduct towards the Corporation, and such unethical conduct involves alleged illegality, the Corporation shall

report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Corporation shall additionally notify the governmental anti-corruption agency.

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

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

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

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

Article 22 (Enforcement)

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

Article 23

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

Appendix 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:

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

Article 3

Operating procedures

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

amount of any real property purchased by a subsidiary of the Corporation not for use in business operations may not exceed 5% of the Corporation's net worth.

- (2) The total amount of investment by the Corporation in all long/short term securities may not exceed 50% of its net worth; the total amount of investment in all long/short term securities by a subsidiary of the Corporation may not exceed 30% of the Corporation's net worth.
- (3) The amount of the Corporation's investment in any single security may not exceed 30% of its net worth; the amount of investment by a subsidiary of the Corporation in any single security may not exceed 20% of the Corporation's net worth.
- (4) The reinvestment of the Company, in accordance with the Articles of Incorporation, is not limited by the rule of article 13 of the Company Act that the reinvestment shall not exceed 40% of the paid-in capital.

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

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

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

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

Article 4

Appraisal rules

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

Article 5

Public disclosure

1. The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, within two days commencing immediately from the date of occurrence of the event, with the relevant data and information:
 - (1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or buyback of the fund of the domestic money market issued by securities investment trust business unit.
 - (2) Merger, acquisition, spin-off and share transfer
 - (3) The transaction losses derived from derivatives reaches the upper limit set forth in the Financial Derivatives Transaction Procedure for all or any individual contract.
 - (4) Operational used equipment not exceeding NTD 500,000,000 and not purchased from related party.
 - (5) Property built on own land or rent land, joint construction and allocation of house units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and invested amount is not exceeding NTD 500,000,000.
 - (6) Except the above 5 mentioned situations, any transaction or investment in Mainland China amount exceed 20% of paid- in capital or NTD 300,000,000. The following does not apply to the limit:
 - i. Government bond
 - ii. Callable bond and puttable bond, subscription and redemption of the fund of the domestic money market.
2. Calculation criteria
 - (1) Per transaction amount
 - (2) Cumulated amount with the same party or similar objects within one year.
 - (3) Cumulated amount of fixed asset for the same project within one year. (acquisition and disposition each)
 - (4) Cumulated amount of the same security within one year. (cumulative acquisition and disposition, respectively).
3. 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.
4. 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.
5. Where any item required to be placed into a public announcement pursuant to these

provisions is incorrect or not placed in the announcement and it is required to be supplemented, the whole announcement shall be remade and placed within 2 days into a public announcement and reported to the competent authority by the Company.

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

Article 6 : Procedures of Announcement and Filing

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

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

Article 7

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

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

Article 8

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

Article 9

In acquiring or disposing membership certificate or intangible assets by a public company, and the transaction amount exceeding 20% of the Company's paid-in capital or NT\$300,000,000, apart from any transactions with the government institutions, an accountant shall be retained prior to the date of occurrence of the event to express opinions on the reasonableness of the transaction price and the accountant shall handle the matter pursuant to the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

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

1. 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.

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

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

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

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

3. When the Company acquires fixed assets from related parties, the reasonableness of transaction cost should be evaluated in accordance with the following methods: Where the land and the buildings on the property are combined for the purchase, the cost of the transaction may be reached by respectively evaluating such land and building based on either method described above, and should also engage a CPA to check the appraisal and render a specific opinion.
 - (1) Based upon the related party's transaction price plus necessary interest on funding and the cost to be borne by the buyer according to law. The "necessary interest on funding" is imputed as the weighted average interest rate of the fund borrowed by the Company in the year of purchase of the asset.
 - (2) Total loan value appraised by a financial institution if such object has been mortgaged to the financial institution for a loan; provided that the actual cumulative amount loaned by

the financial institution for the object shall reach 70% or more of the appraised total value and the loan period is more than one year. However, this shall not apply if the financial institution and either party of the transaction are related persons.

4. Where the Company acquires real property from related parties and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 2 and the preceding three paragraphs do not apply:
 - (1) The related party acquired the real estate due to succession or gift.
 - (2) The lapse between the date of acquisition of real estate and the date of the transaction has been more than five years.
 - (3) The acquisition of real estate is based on the cooperative construction contract with the related parties or own-land construction via agency by agreement, construction on rental land via agency by agreement etc.
5. If the outcome evaluation according to the paragraph (1), (2) of section 3 of this article is lower than the transaction price, the section 6 of Article 12 shall apply with the exception of the following circumstances which are accompanied with objective evidence and concrete opinions of the appraiser and public accountant.
 - (1) The related party who acquires bare land or rent a land for reconstruction may provide evidence to prove the conformity of one of the followings.
 - a. The total amount of the bare land assessed according to the method of the preceding article and the house assessed by adding reasonable profit to the construction cost exceeds the actual transaction price.
 - b. The transaction terms is fair and reasonable comparing to other transactions of other floors of the same object or in the neighborhood conducted by non related parties within one year taking into account the reasonable price difference in the light of real estate sale transaction customs.
 - c. The transaction terms is fair and reasonable comparing to other transactions of other floors of the same object conducted by non related parties within one year taking into account the reasonable price difference in the light of real estate transaction rent customs.
 - (2) The Company provides evidence to prove that the real estate acquired from related parties has the transaction terms which are fair and reasonable comparing to other transactions in the neighborhood.
 - (3) The transaction in the neighborhood in the preceding paragraph shall mean the transaction of the real estate on the same or nearby street with a distance of less than 500 meters from the estate in question. The term "similar size" means that in the case of transaction of non-related party, the size is not less than 50% of the estate in question. The "within one year" means dating back for one year from the date of acquiring this real estate.
6. If the outcome of evaluation of the real estate acquired from the related parties is lower than the transaction price, the following measures shall be taken.
 - (1) The special reserve shall be appropriated pursuant to the related laws for the price difference between the transaction price and the assessment and shall not be distributed or used for capital increase.

- (2) Supervisors shall handle the matter pursuant to Article 218 of Company Act.
- (3) The measures taken according to section 1 and section 2 shall be reported to the meeting of shareholders and the detailed content of the transaction shall be disclosed in the annual report and prospectus.

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

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

Article 13

Prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for approval. However, mergers of subsidiaries with the Company or with subsidiaries whose outstanding shares or capital is 100% directly or indirectly owned by the Company needs not offer a reasonable opinion from experts.

Article 14

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

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

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

Article 15

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

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

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

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

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

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

Article 16

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

Article 17

The Company participating in a merger, spin-off, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless the following circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, spin-off, acquisition, or transfer of shares:

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

spin-off, acquisition, or transfer of shares.

6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 18

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

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

Article 19

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

Article 20

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company should sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 15, Article 16, and Article 19.

Article 21

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

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

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

Article 22

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

Article 23 : Financial report disclosure

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

Article 24

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

Article 25

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

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

The establishment or a revision of this Procedures shall be approved with the consent of one-half or more than one-half of all members of such audit committee and then be submitted to the Board of Directors for approval.

If the aforesaid establishment or revision of this Procedures has not been approved by such audit

committee with the consent of one-half or more than one-half of all members of the audit committee, the establishment or revision of this Procedures may be undertaken upon the consent of at least two-thirds of all members of the Board of Directors, but the resolution adopted by the audit committee shall be recorded in the meeting minutes of the Board of Directors meeting.

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

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

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

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

- The 1st amendment was made on April 26, 1996
- The 2nd amendment was made on November 24, 1998
- The 3rd amendment was made on March 19, 1999
- The 4th amendment was made on December 22, 1999
- The 5th amendment was made on January 28, 2000
- The 6th amendment was made on August 18, 2000
- The 7th amendment was made on October 13, 2000
- The 8th amendment was made on March 25, 2002
- The 9th amendment was made on September 10, 2002
- The 10th amendment was made on June 13, 2003
- The 11th amendment was made on June 8, 2006
- The 12th amendment was made on June 21, 2007
- The 13th amendment was made on June 17, 2011
- The 14th amendment was made on June 27, 2012
- The 15th amendment was made on June 26, 2014.
- The 16th amendment was made on June 25, 2015.
- The 17th amendment was made on June 27, 2017.

Appendix 6

Sino-American Silicon Products Inc.

Policies and Procedures for Financial Derivatives Transactions

Article 1

The Company shall conduct derivatives transaction according to this policies and procedures. Unaccomplished matters shall be processed in accordance with relative rules and regulations.

Article 2

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

Article 3

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

Article 4

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

Article 5

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

Article 6

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

Article 7 : Division of authority and duties

- (1) Finance Department that is in charge of hedging strategy shall establish the hedging limit towards revenue, import/export, deposit and the balance position of the Company according to this policies and procedures to ensure proper risk control.
- (2) Finance Department shall pay attention to currency as well as capital position at all times, submit hedging strategy according to actual needs for president's approval. Any deviation can only be executed upon receiving president's approval.

Article 8 : Performance assessments

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

Article 9

The total contract amount from the derivative trading shall not exceed 100% of the total foreign currency from accounts receivable, amount payable plus deposit, and shall be reported to the latest BOD meeting after transaction. Any currency hedging apart from business needs should adopt the assets (liability) which are held or anticipated to trade as ceiling. If overseas acquisition adopts acquisition price as ceiling, and so are loan balance for loan, total balance outstanding for overseas equity or bonds or other financial products, it can only be executed after BOD approval. If no prior report is made to the BOD ahead of time, the chairman shall be authorized to execute after reviewing the situation of the financial market according to the estimation data provided by the finance department and report to the latest BOD meeting after execution.

Article 10 : Authorization

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

Article 11

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

Article 12

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

Article 13

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

Article 14

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

Article 15

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

Article 16

1 Internal Control

- (1) The Financial unit's transaction personnel and confirmation and settlement operations personnel may not concurrently serve in more than one of those positions.
- (2) A trading slip needs to be filled out by the trading personnel upon the completion of any

transactions and passed to the confirmation personnel, who, in turn, shall confirm with counterparty and reconcile the master position table for reference.

- (3) Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty.
- (4) Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conforms to the ceilings set under these Procedures.

2 Risk Management

(1) Credit risk

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

(2) Market Risk

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

(3) Liquidity Risk

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

(4) Operation Risk

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

(5) Legal Risk

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

- (6) Risk management of cash flow: the funding sources for the derivatives products are from own funds. Transaction amount is considered based on the operational needs in the next three months

3 Periodic evaluation

- (1) The Finance Department shall assess market prices and evaluate hedging performance each week. "Transaction-oriented" amount shall be evaluated at least once a week; "Non-transaction-oriented" or "Hedge-oriented" amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.
- (2) The designated personnel appointed by the board of directors to monitor and control derivatives trading risks on an ongoing basis shall also at regular intervals evaluate whether trading performance accords with established operational strategies, and whether risks assumed are within a tolerable range. They shall at regular intervals evaluate whether the risk management procedures currently in use are appropriate and scrupulously conducted in accordance with these Procedures.
- (3) The chief financial officer shall monitor the trading and profit and loss situation. When any irregularity is discovered, the chief financial officer shall report to the board of directors. If independent director(s) have been appointed, the board of directors shall have the

independent director(s) attend and express an opinion.

- (4) The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 2 of Article 18 and subparagraph 2 of this article shall be recorded in detail in the log book.

Article 17

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

The managerial person who is in charge of the derivatives transaction shall follow this principles and procedures. If any violation, punishment shall be conducted according to the personnel evaluation committee of the Company.

Article 18

After these Procedures have been approved by the audit committee and board of directors, they shall be submitted to a shareholders meeting for approval; the same applies when the Procedures are amended. If any director expresses dissent and it is on record or in a written statement, the director's dissenting opinion shall be delivered to the shareholders meeting.

Where the position of independent director(s) has been created, when these Procedures are submitted for deliberation by the board of directors, each independent director's opinions shall be taken into full consideration; the independent directors' specific opinions of assent or dissent and the reasons therefore shall be included in the minutes of the board of directors meeting.

Article 19

The Procedure was enacted on March 19,1999

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

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

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

The 4th amendment was made on June 27, 2017.

Appendix 7

Sino-American Silicon Products Inc.

Procedures for Lending Funds to Other parties

Article 1

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

Article 2

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

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

Article 3

The total loan amount to others shall be varied according to the situations as follows.

- 1 The total amount for lending to a company/firm having business relationship with the Company shall not exceed the 40% of the net worth of the Company. The amount lent to a single recipient may not exceed the amount of the business transacted between the two parties in the most recent year. The transaction amount shall mean the sales or purchasing amount between the parties, whichever is higher. For transaction except sales and purchasing, a mutual agreement shall be signed beforehand and the total amount lent shall not exceed the definition of the agreement.
- 2 The total amount for lending to a company/firm for funding for a short-term period shall not exceed 40% of the net worth of the Company. The amount lent to a single recipient shall not exceed the 40% of the net worth of the Company.

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

Article 4

The term of each loan extended by the Company shall not exceed one year from the loan origination date. The interest rate shall be determined on the basis of the Company's funding, but in no event shall it be higher than the Company's highest short-term bank borrowing rate at the time of lending. The interests shall be calculated on a daily basis. Interest payment period and method are based on the mutual agreement.

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

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

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

Article 5

- 1 When applying a loan from the Company, the borrower shall submit to the company/firm and financial information as well as an application form stating the purpose of the funds, duration and amount.
- 2 After the financial department of the Company receives the application from the borrower, items to be reviewed are as follows:
 - (a) Necessity and rationality
 - (b) Reviews of the background investigation and risk estimation of the borrower.
 - (c) Impact to the operational risks, financial status and shareholders' equity of the Company.
 - (d) Necessity of requesting for a guarantee and value estimation review of the guarantee.
 - (e) Comply with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and this Procedures. Restrictions aforesaid shall not be applied to borrowers from its subsidiaries.
- 3 After reviewed by the financial department of the Company that the borrower is in need of the loan and capable of redemption, the financial department shall compile the review data and submit to the board meeting for resolution. The board meeting shall not authorize any third person to determine. If the Company has established independent directors, relevant opinions shall be taken into account by the board meeting during discussion and take minutes on all details of con and pro.
- 4 Loans between the Company and its subsidiary or the subsidiaries themselves shall comply with the aforesaid procedures to submit to the board meeting for resolution of authorizing the chairman to execute appropriation or revolving the certain amount of the loan within one year to the same borrower. The so-called certain amount shall follow the Procedure and not exceed 10% of the net value in the latest financial performance of the Company.
- 5 After the loan is approved, the financial department shall inform the borrower to sign the contract before the expiry date including the amount, duration, interest, securities and guarantees etc. The aforesaid restriction on the securities and guarantees shall not apply for the loan between the overseas companies 100% owned by the Company or with the Company.
- 6 After the loan contract is signed, the borrower is able to apply for the appropriation from the Company.
- 7 The borrower shall provide a guarantee note or security of equal value if necessary when apply for the appropriation of the loan. The security shall be set in pledge or mortgage with insurance except for lands and securities. The duration of the insurance shall cover the loan duration with the Company noted as the beneficiary.

Article 6

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

Article 7

- 1 The Company shall announce and report the previous month's balance of loans of funds made by itself and its subsidiaries by the 10th day of each month.
- 2 If the Company's loans of funds reach one of the following levels, the Company shall announce and report such fact within 2 days commencing immediately from the date of occurrence of the event.
 - (1) The balance of loans of funds by the Company and the Company's subsidiaries to others reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
 - (2) The balance of loans of funds by the Company and the Company's subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.
 - (3) The amount of new loans of funds by the Company or any of the Company's subsidiaries reaches NT\$10 million or more and also reaches 2 percent or more of the Company's net worth as stated in its latest financial statement.The Company shall announce and report on behalf of any of its subsidiaries that is not a domestic public company any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.
- 3 The financial department shall review comply with the GAAP to review the loan and appropriate sufficient allowance for bad debts and disclose related information in the financial report as well as related data for necessary auditing procedure by the certified public accountant.

Article 8

- 1 After a loan has been disbursed by the Company, the financial, business, and credit condition of the borrower and the guarantor shall be monitored by the finance department on a regular ongoing basis. If collateral has been provided, it shall be monitored for any changes in the collateral value. In the event of any material change, it shall immediately be reported to the chairman of the board of directors, and appropriate measures shall be taken in accordance with the chairman's instructions.
- 2 If the borrower repays the loan when or before it becomes due, the interest payable shall first be

calculated, and shall be paid together with the principal, before the promissory note and other related documents may be cancelled and returned to the borrower or the mortgage cancelled.

- 3 When a loan becomes due, the borrower shall promptly repay the principal and interest in full. If the borrower is unable to make repayment on the due date and deferral is required, the application for deferral shall be made in advance, and submitted to the board of directors for approval before implementation. For any given repayment, deferral shall not exceed three months, and only one deferral may be given. In the event of breach, the Corporation may duly dispose of, or pursue recovery from, the borrower's collateral or guarantor.

Article 9

- 1 If a subsidiary of the Company intends to lend funds to others, the Company shall require its subsidiaries to establish relevant procedures for lending funds in accordance with the Procedures and to comply with such procedures; Net worth shall be calculated based on the subsidiary's net worth.
- 2 The subsidiaries shall compile and submit the schedule which includes the details of lending funds made in the previous month to the Company for review by the tenth day of the current month.
- 3 The subsidiary's, if an public company, internal auditor personnel shall perform auditing on the Company's lending profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Company's audit department. The Company's audit department shall submit written report to audit committee.
- 4 The internal audit personnel of the Company shall audit the operational procedures of the subsidiaries according to the yearly audit plan so as to understand the implementation status of lending funds to others. Corrections of any defects discovered shall be continuously tracked and a follow-up report shall be made to submit to the chairman.

Article 10

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

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

Article 11

The Procedure was enacted on May 29, 1990

The 1st amendment was made on March 19, 1999

The 2nd amendment was made on December 22, 1999

The 3rd amendment was made on March 25, 2002

The 4th amendment was made on June 13, 2003

The 5th amendment was made on June 19, 2008

The 6th amendment was made on June 3, 2009

The 7th amendment was made on June 15, 2010

The 8th amendment was made on June 27 , 2012

The 9th amendment was made on June 25, 2013

The 10th amendment was made on July 27, 2017.

Appendix 8

Sino-American Silicon Products Inc.

Procedures for Endorsement and Guarantee

Article 1

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

Article 2

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

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

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

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

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

Article 3

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

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

Article 4

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

- 1 The aggregate amount of endorsement/guarantee provided by the Company is limited to the triple of its net worth.
- 2 The amount of endorsement/guarantee for one single company provided by the Company is limited to ten percent (10%) of its net worth. However, the amount of endorsement/guarantee for any subsidiaries is limited to the single of its net worth.
- 3 The limits of the Company and its subsidiaries' endorsement/guarantee to any single enterprise shall not exceed ten times of the Company's net worth.
- 4 For endorsement/guarantee deriving from business relations, the amount provided to any single party shall not exceed the total business amount between the party and the Company 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. For the business without purchase or sales of goods, a mutual agreement should be made with the maximum endorsement/guarantee amount less than the total amount in the agreement.

Article 5

- 1 The Company shall make an announcement on the balance of endorsement and/or guarantee in MOPS before the 10th of each month.
- 2 In the event that the balance of endorsement and/or guarantee meets one of the following standards, the Company shall make an announcement in MOPS within 2 days commencing immediately from the date of occurrence of the event.
 - (1) The aggregate balance of the Company and its subsidiaries' endorsements/guarantees reaches 50 percent or more of Company's net worth as stated in its latest financial statement.
 - (2) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches twenty percent (20%) or more of Company's net worth as stated in its latest financial statement.
 - (3) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, long-term orientated investment in, and balance of loans to, such enterprise reaches thirty percent (30%) or more of Company's net worth as stated in its latest financial statement.
 - (4) The balance of the Company and its subsidiaries' new endorsements/guarantees reaches NT\$30 millions or more and the aggregate amount of all endorsements/guarantees reaches five percent (5%) or more of Company's net worth as stated in its latest financial statement.
- 3 The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the fourth subparagraph of the preceding paragraph.
- 4 The Company shall evaluate or recognize the contingent loss for endorsement and/or guarantee, and shall adequately disclose information of endorsement/guarantees in its financial reports or provide its certified public accountants with relevant information for implementation of necessary

auditing procedure.

Article 6

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

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

Article 8

- 1 When providing endorsement/guarantee to another company, the Company may require the endorse/guarantee company to submit application form to the Company's Finance Department. Finance Department shall conduct a credit survey and keep the record of risk assessment. After passage by the Finance Department, it shall be submitted to President and Chairman for approval. Collateral shall be obtained when necessary.
- 2 The Finance Department shall make an impact assessment based on the possibility of operation risk. The items to be evaluated include:
 - (1) The necessity and reasonableness of the endorsement and guarantee.
 - (2) Whether the endorsed amount is necessary in the light of the financial status of the company endorsed or guaranteed.
 - (3) Whether the accumulated amount of endorsement and guarantee is still within the limit.
 - (4) Whether the collateral shall be acquired and the assessed value of the collateral.
 - (5) The possibility of harming the Company's equity.
- 3 Finance Department shall establish and maintain a reference book for endorsement/ guarantee matters and shall record in detail for future reference including the recipient, amount, date of passage by the Board of Directors or decision by the Chairman of the Board of Directors as authorized, date of the endorsement/guarantee and the abovementioned assessment data.
- 4 Finance Department shall assess and recognize, if any, contingent losses brought about by the endorsement/guarantee, to adequately disclose information in the financial statements, and to

provide external auditors with necessary information for conducting due auditing and issuing auditing report.

- 5 If, due to changes of circumstances, the party to whom the Company provided endorsement and/or guarantee no longer satisfies the criteria set forth in the Procedures herein, or the amount of endorsement and/or guarantee exceeded the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be provided to the audit committee and the proposed corrections shall be implemented within the period specified in the plan.
- 6 When the net value of endorsed or guaranteed companies lower than 50% of its paid-in capital, subsequent precautions of control shall be established by the finance department and submit to the board. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the paid-in capital shall be calculated with the sum of the share capital plus paid-in capital in excess of par shall be substituted.

Article 9

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

Article 10

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

Article 11

- 1 When the subsidiaries intend to provide endorsement/guarantee to other companies, the Company shall require its subsidiaries to establish relevant procedures for providing endorsement/guarantee in accordance with the Procedures and to comply with such procedures; Net worth shall be calculated based on the subsidiary's net worth.
- 2 The subsidiaries shall compile and submit the schedule which includes the details of endorsement/guarantee made in the previous month to the Company for review by the tenth day of the current month.
- 3 The subsidiary's, a public company, internal auditors shall perform auditing on the Company's endorsement/guarantee profile every quarter and produce written auditing reports. Should there

be any violation found, a written report is needed to notify the Company's internal auditors. The Company's internal auditors shall submit written report to the audit committee.

- 4 The internal audit personnel of the Company shall regularly audit the subsidiaries operational procedures according to Yearly Auditing plan and understand the implementation status of providing endorsement or guarantees for others. Corrections of any defects discovered shall be continuously be tracked and a follow-up report shall be made to submit to Chairman.

Article 12

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

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 June13, 2003.

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

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

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

The 7th amendment was made on June 25, 2013

The 8th amendment was made on June 25, 2015

The 9th amendment was made on June 27, 2017

Appendix 9

Sino-American Silicon Products Inc.

Shareholdings of Directors

- 1 The total amount of shares of the Company is 586,287,651 shares. The minimum shareholding ratio of all directors is 4%, and the minimum number of shareholding is 18,761,204 shares in compliance with the Article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.
- 2 The Company having established the audit committee has no legal shareholdings for supervisors.
- 3 The Company discloses the shares held by Directors in the shareholder’s register as of April 29, 2019 as the table shown below.

Position	Name	Shareholdings	Note
Chairman	Ming-Kung Lu	10,053,000	
Vice Chairman	Tang-Liang Yao	3,330,395	
Director	Hsiu-Lan Hsu	2,971,085	
Director	Wen-Huei Tsai	3,006,191	
Director	Mao-Yang Co.,Ltd	3,333,639	Representative: Rong-kan Sun
Director	Solar Energy Corp.	21,860,379	Representative: Chan-hsien Hong
Director	Hong-mau Company	10,425,000	Representative: Chu-wang Chen
Director	Kun-chang Investment Co.	2,202,100	Representative: Yu-da Chang
Director	Kai-Chiang Company	2,000,000	Representative: Hau Fan
Independent Director	Ting-Ko Chen	0	
Independent Director	Hsing-Hsien Lin	0	
Independent Director	Angela Huang	0	
Total (Directors and Supervisors)		59,181,879	Met required shareholding

Appendix 10

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 20 to April 30, 2019. The Company has made a public announcement on MOPS.
3. The Company has not received any proposal from shareholders yet.