

Stock Code : 5483



Sino-American Silicon Products Inc.

2011 Annual General Shareholders' Meeting

Meeting Handbook

Time: June 17, 2011

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

(Science Park Life Hub Rm 203)

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Sino-American Silicon Products Inc.
2011 Annual General Shareholders' Meeting Procedure

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
4. Approval Items
5. Discussion and Election Items
6. Supplementary Motions
7. Meeting Adjourned

Sino-American Silicon Products Inc.
2011 Annual General Shareholders' Meeting Agenda

Time: 9:00 a.m., June 17, 2011

Place: No. 1, Industrial East Rd. 2, Science-Based Industrial Park, Hsinchu, Taiwan, R.O.C
(Science Park Life Hub Rm 203)

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
 - a. To report the business of 2010
 - b. Supervisors' review report
 - c. To report the execution status of endorsement and guarantee
 - d. To report the investment status in China
 - e. To report on FY 2008, FY 2009 and FY 2010 implementation of rights issue
4. Approval Items
 - a. To accept FY 2010 business report and financial statements
 - b. To approve the proposal for distribution of 2010 profits
5. Discussion and Election Items
 - a. To allocate earnings and employee bonuses to a capital increase and issuance of new shares
 - b. To revise SAS' Articles of Incorporation
 - c. To revise SAS' Acquisition or Disposal Procedure
 - d. To discuss SAS' Spin-off Semiconductor business
 - e. To release the shares of Spun-Off new established company (GlobalWafers Co.) and waive the subscription right to rights issue
 - f. To discuss SAS's Spin-off Sapphire business
 - g. To release the shares of Spun-Off new established company (Taiwan Sapphire Co.) and waive the subscription right to rights issue
 - h. To issue no more than 100 million new shares through GDR issuance or local SPO
 - i. To elect Company Directors and Supervisors for the 11th Board of Directors prior to the expiration of the term
 - j. To release newly appointed directors from non-competition restrictions
6. Supplementary Motions
7. Meeting Adjourned

Report Items

Item 1 Fiscal 2010 Business Report submitted for review.

Description: Please refer to the Fiscal 2010 Business Report on page 15 of this handbook.

Item 2 Supervisors Review Report submitted for review.

Description: Please refer to the Supervisors' Review Report on page 17 of this handbook

Item 3 Endorsement and Guarantee Execution Report

Description: The total accumulated amount of endorsement/guarantee for Sino Silicon Technology Inc and GlobiTech Incorporated by the Company are NT\$495,385,000 and NT\$358,110,000 respectively in FY 2010.

Item 4 Investment Status Report in China.

Description: Please refer to the Investment Status Report in China on page 35 of this handbook.

Item 5 Report on FY 2008 , FY 2009 and FY 2010 implementation of capital increase

Description (1) Please refer to the details of implementing a NT\$100 million capital increase on FY 2008 on page 36 of this handbook.
(2) Please refer to the details of implementing a NT\$312.5 million capital increase on FY 2009 on page 38 of this handbook.
(3) Please refer to the details of implementing a NT\$610 million capital increase on FY 2010 on page 40 of this handbook.

Approval Items

Item 1

(Proposed by the Boards of Directors)

Proposal: To accept FY 2010 business report and financial statements

Description:

- (1) SAS' 2010 Financial Statements, including consolidated financial reports, were audited by independent auditors, Chen, Chien-Chen, CPA and Tseng, Mei-Yu, CPA, of KPMG.
- (2) Please refer to the 2010 Business Report and the Financial Statements on page 20 of this handbook.
- (3) Please accept the above-mentioned Business Report and Financial Statements.

Resolution:

Item 2

(Proposed by the Boards of Directors)

Proposal: To approve the proposal for distribution of 2009 profits

Description:

- (1) In Fiscal Year 2010, the Company made a net profit of NT\$3,568,608,995. After considering the undistributed retained earnings of the previous year of NT\$652,380,424, the allocation of 10% legal reserve of NT\$356,860,900 and adjustment arising from changes of equity in investments due to subsidiaries' distribution of bonus to employees or issuance of common stock for cash of NT\$915,835, the total available distribution earnings for the year is NT\$3,863,212,684.
- (2) Employees' profit sharing is NT\$399,709,707 which will be distributed in both cash of NT\$329,709,707 and stock of NT\$70,000,000. The number of shares shall be calculated based on the closing price one day prior to the 2011 regular Shareholders' Meeting on an ex-dividend basis. The fractional share, which is less than one full share, would be distributed in cash.
- (3) Please refer to the statement of distribution of 2010 retained earnings on page 42 of this handbook.
- (4) For the distribution of cash and stock dividends, after passage by this Annual General Shareholders Meeting, the board of directors will be authorized to adopt a date of record for the distribution of dividends and carry out the relevant cash and stock dividend distribution matters.
- (5) Adoption requested.

Resolution:

Discussion and Election Items

Item 1

(Proposed by the Boards of Directors)

Proposal: Discussion of the proposal to allocate earnings and employee bonuses to a capital increase and issuance of new shares, submitted for discussion.

Description:

- (1) In consideration of Company's future business needs, it is proposed to allocate NT\$201,066,100 from the 2010 distributable retained earnings for shareholders bonuses to fund a capital increase and issuance of 20,106,610 new shares. Each share has a par value of NT\$10. The current proposal for a capital increase by retained earnings and issuance of new shares is compiled with the holdings of each shareholder in the common stock shareholders register on the dividend date of record. It is proposed to issue a bonus stock dividend of 50 shares per each 1,000 shares. Fractional shares of less than a single full share from the current capital increase shall be distributed in the form of cash, and the chairperson of the board is authorized to assign specified person(s) to purchase such fractional shares at par value. Employees' profit sharing distributed in stock is NT\$70,000,000. The number of shares shall be calculated based on the closing price one day prior to the 2010 regular shareholders' meeting on an ex-dividend basis. For employees receiving less than one share, bonuses will be distributed in the form of cash.
- (2) The rights and obligations of the new shares proposed for issuance shall follow the rights of common shares and are identical to those of previously issued common shares.
- (3) After the proposal of a capital increase by retained earnings and issuance of new shares has been passed by the annual general shareholders' meeting and submitted to and approved by the competent authority, the board of directors shall be authorized to separately set a date of record for the share distribution.
- (4) If in the future the capital stock is changed due to the execution of share buy-back, convertible bonds, the issuance of new commons shares from capital increase in cash and employee stock option, the Board of Directors is authorized to make the required adjustment to the actual earnings distribution ratio on the basis of the number of issued and outstanding stocks registered in the common stockholders' roster as at the record date.
- (5) The Board of Directors is authorized to amend the above new shares proposed for issuance should the competent authority make any adjustments to it.
- (6) Resolution requested.

Resolution:

Item 2

(Proposed by the Boards of Directors)

Proposal: Discussion of the proposal to partially amend the Articles of Incorporation, submitted for discussion.

Description:

- (1) A partial amendment to the Articles of Incorporation is proposed in response to the business needs of the Company.
- (2) For the Pre- and Post-Amendment Comparison Chart of the Articles of Incorporation please refer to page 44 of this handbook.
- (3) Resolution requested.

Resolution:

Item 3

(Proposed by the Boards of Directors)

Proposal: To partially amend the Company's Procedures for the Acquisition or Disposal of Assets, submitted for discussion.

Description:

- (1) A partial amendment to the Company's Procedures for the Acquisition or Disposal of Assets is proposed in response to the business needs of the Company.
- (2) For the Pre- and Post-Amendment Comparison Chart of the Company's Procedures for the Acquisition or Disposal of Assets please refer to page 46 of this handbook.
- (3) Resolution requested.

Resolution:

Item 4

(Proposed by the Boards of Directors)

Proposal: To spin off the Company's Semiconductor business, submitted for discussion.

Description:

- (1) To enhance competitiveness and operating performance, the Company is actively undertaking corporate restructuring and business specialization. The Company thus plans to spin off the business of the Semiconductor (including assets, liabilities, and business) to the Company's wholly-owned and new established GlobalWafers Co. ("GlobalWafers"). In addition, GlobalWafers will issue new shares to the Company.
- (2) The Company estimates the business value of the Spin-off by 2010 financial report audited and attested by a certificated public accountant. The estimated value of the business to be spun-off is NT\$6,930,000,000, in exchange for GlobalWafers 180,000,000 newly issued shares, which value per share is NT\$38.5. For fractional shares which are less than one share, it will be paid in cash. However, the business value will still be determined based on the actual book value of the Spin-Off on the record day of the Spin-Off.
- (3) The record date of the Spin-Off is anticipated to be October 1, 2011. The company complies with Enterprise Mergers and Acquisitions Law, Company Law and the relevant laws to conclude the Spin-Off plan, Articles of Incorporation of GlobalWafers corporation, Business value of the Spin-Off, and the independent expert's fairness opinion on the share swap ratio for the Spin-Off. Please refer to the aforesaid documents on page 48 of this handbook.
- (4) The Spin-Off shall submit to shareholders' meeting for approval. It is proposed that the board of directors to be authorized by the shareholders' meeting to handle such relevant matters at

its full discretion.

- (5) The Company plans to spin off the business scope of the Semiconductor, amount (including assets, liabilities, and business), and the share swap ratio (if there is a need to adjust the ratio), and the relevant matters (including but not limited to schedule and the record date of the Spin-Off). Where there are matters not covered in the Spin-Off, or matters requiring changes due to administrative directions given by the competent authorities or requirements under the relevant laws and regulations or the changes in the objective environment, it is proposed that the board of directors to be authorized by the shareholders' meeting to handle such matters at its full discretion.
- (6) Unless approved by the relevant competent authorities, the Spin-Off proposal shall have no force and effect ab initio.
- (7) Resolution requested.

Resolution:

Item 5

(Proposed by the Boards of Directors)

Proposal: To releases the shares of Spun-Off new established company (GlobalWafers Co.) and waive the subscription right to rights issue, submitted for discussion.

Description:

- (1) To cope with the application for the listing of stock (over-the-counter listing) of the Spin-Off of the subsidiary, GlobalWafers Corp. ("GlobalWafers") has to disperse the shareholdings. For the interests of both shareholders and the Company, GlobalWafers will allocate less than 70,000,000 shares for subscribers and may issue in installments subscribed by the employees of the Company, the employees of subsidiaries of the Company, financial investors, and strategic investors. For the undersubscribed situation, it is proposed that the Chairman would be authorized to contact and select the specific investors to subscribe for such undersubscribed shares. The price is not less than net worth per share in financial report for the most recent period. While shareholders' meeting approves the proposal, it is proposed that the board of directors resolve on the actual price in accordance with market conditions and operating profitability. The Company will mandate the independent expert to issue the fairness opinion at that time.
- (2) To cope with the business development of GlobalWafers and the application of listing of stock (over-the-counter listing) of the Spin-Off for the dispersion of shareholding, GlobalWafers will carry out rights issue through issue less than 70,000,000 new shares. The price is not less than net worth per share in financial report for the most recent period. While there shall be 10% to 15% of new shares reserved for subscription by employees under the Company Act, the Company plans to waive the partial or whole of the subscription right and GlobalWafers shall issue new shares subscribed by the employees of the Company, the employees of subsidiaries of the Company, financial investors, and strategic investors. For the undersubscribed situation, it is proposed that the Chairman would be authorized to contact and select the specific investors to subscribe for such undersubscribed shares. The board of directors will be authorized to resolve on the actual price in accordance with market conditions, operating

profitability, and the Company will mandate the independent expert to issue the fairness opinion at that time.

- (3) For the requirement of the application for the listing of stock (over-the-counter listing), the Company will comply with the relevant laws to allocate the shares for subscription by the underwriters and exercise of over-allotment. The Company shall allocate shares and discuss issue price with the underwriters, which should comply with the relevant laws, market conditions, and operating profitability.
- (4) The above issues concerning GlobalWafers new shares issue and dispersion of shareholding, it is proposed that the board of directors would be authorized by the shareholders' meeting to handle the relevant unsettled matters at its full discretion.
- (5) Resolution requested.

Resolution:

Item 6

(Proposed by the Boards of Directors)

Proposal: To spin off the Company's Sapphire business, submitted for discussion.

Description:

- (1) To enhance competitiveness and operating performance, the Company is actively undertaking corporate restructuring and business specialization. The Company thus plans to spin off the business of the Sapphire (including assets, liabilities, and business) to the Company's wholly-owned and new established Taiwan Sapphire Co. ("Taiwan Sapphire"). In addition, Taiwan Sapphire will issue new shares to the Company.
- (2) The Company estimates the business value of the Spin-off by 2010 financial report audited and attested by a certificated public accountant. The estimated value of the business to be spun-off is NT\$1,600,000,000, in exchange for Taiwan Sapphire 40,000,000 newly issued shares, which value per share is NT\$40. For fractional shares which are less than one share, it will be paid in cash. However, the business value will still be determined based on the actual book value of the Spin-Off on the record day of the Spin-Off.
- (3) The record date of the Spin-Off is anticipated to be October 1, 2011. The company complies with Enterprise Mergers and Acquisitions Law, Company Law and the relevant laws to conclude the Spin-Off plan, Articles of Incorporation of Taiwan Sapphire corporation, Business value of the Spin-Off, and the independent expert's fairness opinion on the share swap ratio for the Spin-Off. Please refer to the aforesaid documents on page 64 of this handbook.
- (4) The Spin-Off shall submit to shareholders' meeting for approval. It is proposed that the board of directors to be authorized by the shareholders' meeting to handle such relevant matters at its full discretion.
- (5) The Company plans to spin off the business scope of the Sapphire, amount (including assets, liabilities, and business), and the share swap ratio (if there is a need to adjust the ratio), and the relevant matters (including but not limited to schedule and the record date of the Spin-Off). Where there are matters not covered in the Spin-Off, or matters requiring changes

due to administrative directions given by the competent authorities or requirements under the relevant laws and regulations or the changes in the objective environment, it is proposed that the board of directors to be authorized by the shareholders' meeting to handle such matters at its full discretion.

(6) Unless approved by the relevant competent authorities, the Spin-Off proposal shall have no force and effect ab initio.

(7) Resolution requested.

Resolution:

Item 7

(Proposed by the Boards of Directors)

Proposal: To releases the shares of Spun-Off new established company (Taiwan Sapphire Co.) and waive the subscription right to rights issue, submitted for discussion.

Description:

- (1) To cope with the application for the listing of stock (over-the-counter listing) of the Spin-Off of the subsidiary, Taiwan Sapphire Corp. ("Taiwan Sapphire") has to disperse the shareholdings. For the interests of both shareholders and the Company, Taiwan Sapphire will allocate less than 15,000,000 shares for subscribers and may issue in installments subscribed by the employees of the Company, the employees of subsidiaries of the Company, financial investors, and strategic investors. For the undersubscribed situation, it is proposed that the Chairman would be authorized to contact and select the specific investors to subscribe for such undersubscribed shares. The price is not less than net worth per share in financial report for the most recent period. While shareholders' meeting approves the proposal, it is proposed that the board of directors resolve on the actual price in accordance with market conditions and operating profitability. The Company will mandate the independent expert to issue the fairness opinion at that time.
- (2) To cope with the business development of Taiwan Sapphire and the application of listing of stock (over-the-counter listing) of the Spin-Off for the dispersion of shareholding, Taiwan Sapphire will carry out rights issue through issue less than 20,000,000 new shares. The price is not less than net worth per share in financial report for the most recent period. While there shall be 10% to 15% of new shares reserved for subscription by employees under the Company Act, the Company plans to waive the partial or whole of the subscription right and Taiwan Sapphire shall issue new shares subscribed by the employees of the Company, the employees of subsidiaries of the Company, financial investors, and strategic investors. For the undersubscribed situation, it is proposed that the Chairman would be authorized to contact and select the specific investors to subscribe for such undersubscribed shares. The board of directors will be authorized to resolve on the actual price in accordance with market conditions, operating profitability, and the Company will mandate the independent expert to issue the fairness opinion at that time.
- (3) For the requirement of the application for the listing of stock (over-the-counter listing), the Company will comply with the relevant laws to allocate the shares for subscription by the underwriters and exercise of over-allotment. The Company shall allocate shares and discuss

issue price with the underwriters, which should comply with the relevant laws, market conditions, and operating profitability.

- (4) The above issues concerning Taiwan Sapphire new shares issue and dispersion of shareholding, it is proposed that the board of directors would be authorized by the shareholders' meeting to handle the relevant unsettled matters at its full discretion.
- (5) Resolution requested.

Resolution:

Item 8

(Proposed by the Boards of Directors)

Proposal: To issue no more than 100 million new shares through GDR issuance or local SPO .

Description:

- (1) In order to fund future needs to increase working capital, purchase oversea materials, prepayment of bank loan, purchase of equipment and machinery, long-term investments and/or others to improve competitiveness, the Company proposes to authorize the Board to issue new stocks up to 100,000,000 shares, under appropriate conditions and also authorize the Board in determination of the method of stock issuance in common stocks or in GDR for common stocks and adjustment of issuing size within the said quota at once or through installment.
- (2) The issuance of new common shares for capital increase in cash:
 - i. Public Application offering
 - a. Pursuant to the Article 267 of Company Act, 10%-15% of the share issuance will be reserved for employees' preemptive subscription and 10% will be reserved for public offer. The remaining 80%-75% of the share issuance will be reserved for preemptive purchase of original shareholders based on the shareholder's name and his 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 BOD is to be authorized to negotiate with designated individuals to sell shares at issuing price.
 - b. According to the Article 6 of "Disciplinary Rules", the issuing 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.
 - c. The Chairman of the Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of market status and will submit the proposal to the Financial Supervisory Commission Executive Yuan, R.O.C., Securities and Futures Bureau for approval.
 - ii. Book Building

- a. Pursuant to the Article 267 of Company Act, the common shares issued from capital increase, 10%-15% of the issuance will be reserved for employee's preemptive subscription. For those not subscribed by employees in proportion or as a whole, the chairman of the BOD is authorized to negotiate with designated individuals at issuing price. For the remaining 90%-85% of issuance, based on the Article 28-1 of the Securities and Exchange Act, the board proposes to offer through book building.
 - b. According to the Article 7 of "Disciplinary Rules for Securities Underwriters Assisting Issuing Company to Subscribe and Issue Marketable Securities" (Disciplinary Rules) by the R.O.C. Securities Broker Association, while the application is filed with the Financial Supervisory Commission, the book building contract is filed with the Taiwan Securities Association, or the underwriting contract is filed with the Taiwan Securities Association, the issuing price of new common shares from cash capital increase may not be lower than 90% of average closing price of the common shares of the Company for either the one, three, or five business days before the price determination date, after adjustment for any distribution of stock/cash dividends or capital reduction.
 - c. For the determination of offering price after book building process, the Chairman of the Board of Directors is authorized to negotiate with the lead underwriter to have actual price determined and submit the proposal to the Financial Supervisory Commission Executive Yuan, R.O.C., Securities and Futures Bureau for approval.
- (3) 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 BOD is to be authorized to negotiate with designated individuals to sell the unsubscribed share in common stock or GDR of subscription at the issuing price in accordance with the market development. For the remaining 90%-85% 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.
 - 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 BOD 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. 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 on the Over-The-Counter securities market 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.
 - iii. For the rights of original shareholders, the issuance of new shares for cash capital increase up to 100,000,000 common shares will have the maximum dilution effect of at 19.13%. The funds raised from the capital increase in cash shall generate sustainable growth in

Company's business; reinforce competitiveness, and sure benefit shareholders.

- (4) In view of severe volatility in the capital market, to grasp the timing to determine the terms and execute the offer, the BOD is to be authorized to full processing the important contents, including the actual price, the number of issuance shares, terms, issuing amount, the use of proceeds the plan schedule, and expected effects that may arise in case of the regulation variation or by the competent authority to be revised due to objective circumstances, of the offering regarding the issuance of new common shares for capital increase in cash or the new stock issuance for cash capital increase for overseas DR. Except for the authorization scope stated above or stipulated by regulation, the Chairman or the individual designated by the Chairman will represent the Company to sign for all documents related to the issuance of GDR and arrange the issuance of GDR.
- (5) The Board of Directors is to be authorized by the Shareholders' Meeting to have the capital increase processed upon receiving the approval of competent authority.
- (6) Resolution requested.

Resolution:

Item 9

(Proposed by the Boards of Directors)

Proposal: To elect company Directors and Supervisors for the 11th Board of Directors prior to the expiration of the term.

Description:

- (1) The tenure of SAS Directors and Supervisors shall commence on June 3, 2009 and expire on June 2, 2012. In order to strengthen the operation of Board of Directors , it is proposed to elect directors and supervisors prior to the expiration of the term.
- (2) According to the art. 18 of the Articles of Incorporation, Company shall elect 7 to 9 directors, it is proposed to elect 9 directors and 3 supervisors including 2 independent directors with three years of term of office. Newly appointed directors will assume their office after the present shareholders' meeting on June 17, 2011 and with term of office expires on June 16, 2014.
- (3) For the independent director nominee list, please refer to page 80 of this handbook.
- (4) Election requested.

Election Results:

Item 10

(Proposed by the Boards of Directors)

Proposal: To remove the limitation on newly appointed directors for non-compete reasons is submitted for resolution.

Description:

- (1) According to the Company Act article 209, a director who acts for himself or on behalf of another person that is within the scope of the company's business, shall secure approval for such at the meeting of shareholders.
- (2) A newly elected director who invests or runs a business which has similar or same scope to

the Company, the Board of Directors would like to request shareholders' meeting to remove such non-competition clause on the back of needs on operating or investment.

(3) Resolution requested.

Resolution:

Supplementary Motions

Meeting Adjourned

Attachment 1

Sino-American Silicon Products Inc.

Fiscal 2010 Business Report

SAS total consolidated revenue for 2010 was NT\$22.53 billion, an 89 percent increase compared to the prior fiscal year. Net income reached NT\$3.569 billion, while diluted earnings per share was NT\$10.5. Revenue and profit both hit records high. Consolidated revenue for 2010 represents SAS' thirteenth consecutive year of revenue growth since 1998.

Global economy is on its gradual recovery course through 2010. Because of global government-led efforts to boost energy efficiency and low carbon policy, SAS revenue including solar, semiconductor and LED sapphire products and profit both grew fiscal quarter by fiscal quarter. We consistently ramp up production capacity to meet rapid demand. Revenue for December 2010 represents the 41st consecutive month of revenue growth, exclusive of financial crisis. Profit even hit a fresh record high since established.

SAS continues to expand production capacity for solar line by increasing 100 % to 800MW by the end of December 2010, up from 400MW in the forth quarter of 2009, which led solar industry in 2010 shipments. Since SAS transition efficiency of A⁺ product is superior to peers and huge demand for solar products, SAS hit full capacity utilisation of its plant in solar in 2010. In terms of price, as silicon wafer is in the upstream sector of the solar industry, the price of silicon wafer shows an increasing trend by quarterly since December. In terms of cost, the high growth in demand since Q3 2011 has caused polysilicon shortage in spot market. Top management strived to negotiate price and sign contracts with polysilicon manufacturers to ensure the supply of material. Furthermore, in order to ensure the long-term supply of materials, top management have strengthened the supply of material through negotiation with current vendors, global sourcing and strategic investment for the scale of operation in the long run.

In semiconductor unit, the Semiconductor Department of SAS Group have completed an additional of 30% capacity expansion in 2011, which hit full capacity utilisation of its plant and phase in 8 inch product to enhance value-added service. On the one hand, Globitech, a US-based subsidiary of SAS, held the grand opening ceremony for its fab 2 on December 21 to expand capacity. Globitech is currently the No.1 epi-wafer maker in North America. On the other hand, Kunshan Sino silicon Technology Co., Ltd. (SST), a China-based subsidiary of SAS, in response to achieve the synergy of vertical integration and new production phase-in, has planned capital investment to increase capacity of 6 inch and 8 inch polishing process.

In LED sapphire substrate unit, because of the massive demand for LED TV and electronic backlight module, ASP of LED benefited from shortage. Revenue for 2010 is up 300% YOY. SAS has announced the result of new generation LED ingot and therefore self-production ratio rise will stabilize profit. With the growing capacity production and shipment, LED sapphire revenue will continue to grow at a robust pace.

Outlook for 2011, macroeconomy and industry were fraught with uncertainties including pressure from strengthening NT dollar, economic impact of Japan earthquake, Italian solar policy since Q1 and European credit crisis. In the long run, market potential for the three products is quite bright. Therefore, top management will expand the scale of operation to enlarge shareholders' equity with more careful attitude and stable pace.

Strategies for three products are as follows:

- (1) Solar: Expand capacity of solar wafers, develop the high efficiency products and through strategic investment to strength the synergy of vertical integration
- (2) Semiconductor: Expand the capacity of semiconductor wafer to increase the ratio of 8 inch wafer
- (3) LED sapphire substrate: Establish fabrication plant and develop large diameter sapphire wafers and ingot

Top management will plan capacity expansion based on market conditions and enhance the synergy through strategic alliance. Furthermore, SAS has split itself into three independent companies for the preparation of growth and working capital. SAS has confidence to achieve outstanding performance consistently to thank for shareholders' support.

Chirman Ming-Kung Lu

President Hsiu-Lan Hsu

Chief Account Mei-Ying Chiu

Attachment 2

Supervisors Audit Report

The Board of Directors has prepared the Company's 2010 Business Report, Stand-alone and Consolidated 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 Tseng, Mei-Yu, CPA, of KPMG and an audit report relating to the Financial Statements has been issued. The Business Report, Stand-alone and Consolidated Financial Statements and Earnings Distribution Proposal have been reviewed and considered to be complied with relevant rules by the undersigned, the supervisor of Sino American Silicon Products Inc. According to Article 219 of the Company Law, I hereby submit this report.

Sino American Silicon Products Inc

Supervisor : Mong-Fang Wu

Supervisor : Su-Mei Yang

April 14,2011

Attachment 3

Independent Auditors' Audit Report

The Board of Directors
Sino-American Silicon Products Inc.:

We have audited the accompanying balance sheets of Sino-American Silicon Products Inc. as of December 31, 2010 and 2009, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of a subsidiary, GlobiTech Incorporated for the years ended on December 31, 2010 and 2009, and an investee, Sunrise Global Solar Energy Corp., in which the Company had long-term investments accounted for under the equity method, for the year ended on December 31, 2010, which are included in the financial statements. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for GlobiTech Incorporated and Sunrise Global Solar Energy Corp., is based solely on the reports of the other auditors. The long-term investments accounted for under the equity method had a carrying value of \$3,522,960 thousand and \$2,340,487 thousand as of December 31, 2010 and 2009, respectively, and the total gain recognized on those investments amounted to \$441,293 thousand and \$25,500 thousand for the years ended as of December 31, 2010 and 2009, respectively.

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

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Sino-American Silicon Products Inc. as of December 31, 2010 and 2009, and the results of their operations and their cash flows for the years then ended, in conformity with the Guidelines Governing and Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

As discussed in Note 2 to the financial statements, effective January 1, 2009, the Company adopted Republic of China Statement of Financial Accounting Standards ("SFAS") No. 10 "Inventories" as amended, resulting in a decrease in net income of \$56,270 and basic earnings per common share of \$0.20, respectively, for the year ended December 31, 2009.

We and other auditors have also audited, the consolidated financial statements of Sino- American Silicon Products Inc. and subsidiaries as of and for the year ended December 31, 2010 and 2009 on which we have issued an unqualified opinion with an explanatory paragraph.

KPMG
Hsinchu, Taiwan (the Republic of China)
February 28, 2011

Note to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

SINO-AMERICAN SILICON PRODUCTS INC.

Balance Sheets

December 31, 2010 and 2009

(Expressed in thousands of New Taiwan dollars)

Assets	2010	2009
Current assets:		
Cash (notes 4 and 5)	\$ 6,206,538	874,528
Notes and accounts receivable, net (note 6)	1,793,127	1,669,526
Accounts receivable from related parties (note 17)	787,216	284,564
Other financial assets – current	3,592	12,013
Inventories (note 7)	1,696,742	1,008,345
Prepayments for materials(note 19)	1,039,014	835,869
Deferred income tax assets – current (note 15)	66,155	-
Other current assets (note 5)	300,716	199,438
	<u>11,893,100</u>	<u>4,884,283</u>
Long-term investments:		
Equity-method investments (note 8)	4,964,419	3,663,893
Available-for-sale financial assets – non-current (note 5)	381,019	410,761
Financial assets carried at cost – non-current (note 5)	1,481,649	1,697,250
Other financial assets – non-current (note 18)	2,844	1,909
Prepayments for long-term investment in stocks (note 8)	9,000	-
	<u>6,838,931</u>	<u>5,773,813</u>
Property, plant and equipment (notes 9, 17 and 18):		
Buildings and improvements	2,634,940	2,420,414
Machinery and equipment	6,256,177	4,049,371
Other equipment	975,135	878,972
	<u>9,866,252</u>	<u>7,348,757</u>
Less: accumulated depreciation	(3,160,134)	(2,055,733)
Prepayment for equipment and construction in progress	667,332	504,559
	<u>7,373,450</u>	<u>5,797,583</u>
Other assets:		
Deferred charges and other assets (note 12)	7,900	27,926
Long-term prepayments for materials (note 19)	4,083,405	4,449,156
	<u>4,091,305</u>	<u>4,477,082</u>
Total Assets	\$ <u>30,196,786</u>	<u>20,932,761</u>

See accompanying notes to financial statements.

SINO-AMERICAN SILICON PRODUCTS INC.

Balance Sheets (continued)

December 31, 2010 and 2009

(Expressed in thousands of New Taiwan dollars)

Liabilities and Stockholders' Equity	2010	2009
Current liabilities:		
Short-term borrowings (notes 10 and 18)	\$ -	648,665
Notes and accounts payable	1,490,202	1,207,134
Notes and accounts payable from related parties (notes 17)	141,119	468,099
Payroll and bonus payable	279,003	74,991
Accrued employee bonuses and director's and supervisor's remuneration (notes 13)	450,602	104,328
Current portion of received in advance for sales (notes 17 and 19)	751,110	717,347
Current portion of long-term loans payable (notes 11 and 18)	1,376,000	408,333
Deferred income tax liabilities – current (note 15)	-	1,701
Accrued expenses and other current liabilities	<u>839,593</u>	<u>394,226</u>
	<u>5,327,629</u>	<u>4,024,824</u>
 Long-term loans payable (notes 11 and 18)	 <u>2,393,000</u>	 <u>2,721,667</u>
 Other liabilities:		
Other liabilities – other (notes 12, 15 and 17)	253,557	226,431
Revenue received in advance for sales – non-current (notes 17 and 19)	<u>3,795,316</u>	<u>4,077,783</u>
	<u>4,048,873</u>	<u>4,304,214</u>
Total liabilities	<u>11,769,502</u>	<u>11,050,705</u>
Stockholders' equity (note 13):		
Common stock	<u>3,820,256</u>	<u>2,994,413</u>
Advance receipts for common stock	<u>-</u>	<u>508</u>
Capital surplus	<u>9,574,891</u>	<u>4,592,617</u>
Retained earnings:		
Legal reserve	587,985	540,429
Unappropriated earnings	<u>4,220,074</u>	<u>1,209,302</u>
	<u>4,808,059</u>	<u>1,749,731</u>
Other stockholders' equity:		
Foreign currency translation adjustment	(106,758)	179,760
Unrecognized pension cost	(21,178)	(16,049)
Unrealized gain on available-for-sale financial assets	<u>352,014</u>	<u>381,076</u>
Total stockholders' equity	<u>224,078</u>	<u>544,787</u>
	18,427,284	9,882,056
Commitments and contingencies (notes 11, 17 and 19)		
Total Liabilities and Stockholders' Equity	\$ <u>30,196,786</u>	<u>20,932,761</u>

See accompanying notes to financial statements.

SINO-AMERICAN SILICON PRODUCTS INC.

Statements of Income

Years ended December 31, 2010 and 2009

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

	<u>2010</u>	<u>2009</u>
Sales (note 17)	\$ 19,981,080	10,373,856
Less: sales return and allowance	40,671	195,894
	<u>19,940,409</u>	<u>10,177,962</u>
Service revenue and other revenue	139,464	190,374
Net revenue	<u>20,079,873</u>	<u>10,368,336</u>
Cost of goods sold (notes 7 and 17)	<u>15,685,383</u>	<u>9,538,965</u>
Gross profit	<u>4,394,490</u>	<u>829,371</u>
Operating expenses:		
Selling	96,945	91,514
Administrative	332,294	115,783
Research and development	485,572	342,847
	<u>914,811</u>	<u>550,144</u>
Operating income	<u>3,479,679</u>	<u>279,227</u>
Non-operating income and gains:		
Interest income	8,310	4,423
Investment gain recognized by equity method (note 8)	662,634	79,840
Dividend income	10,052	9,748
Government grants	10,576	12,865
Gain on disposal of investments	9,534	165,734
Foreign exchange gain, net	-	21,668
Other income	50,815	30,005
	<u>751,921</u>	<u>324,283</u>
Non-operating expenses and losses:		
Interest expense (note 9)	68,911	74,119
Foreign exchange loss, net	-	-
	140,767	-
Impairment loss of financial assets (note 5)	-	-
	<u>141,697</u>	<u>74,119</u>
Income before income taxes	<u>3,880,225</u>	<u>529,391</u>
Income tax expenses (note 15)	<u>311,616</u>	<u>53,831</u>
Net income	<u><u>\$ 3,568,609</u></u>	<u><u>475,560</u></u>
	<u>Before Tax</u>	<u>After Tax</u>
Earnings per share (in dollars) (note 14)		
Basic earnings per share – retroactively adjusted	<u>\$ 11.42</u>	<u>10.50</u>
Diluted earnings per share – retroactively adjusted	<u>\$ 11.24</u>	<u>10.34</u>
	<u>Before Tax</u>	<u>After Tax</u>
	<u>1.76</u>	<u>1.58</u>
	<u>1.74</u>	<u>1.56</u>

See accompanying notes to financial statements.

SINO-AMERICAN SILICON PRODUCTS INC.
Statements of Changes in Stockholders' Equity
Years ended December 31, 2010 and 2009
(Expressed in thousands of New Taiwan dollars)

				<u>Retained earnings</u>					
	<u>Common stock</u>	<u>Advance receipts for common stock</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Unappropriated earnings</u>	<u>Foreign currency translation adjustment</u>	<u>Unrecognized pension cost</u>	<u>Unrealized gain (loss) on available-for-sale financial assets</u>	<u>Total</u>
Balance at January 1, 2009	\$ 2,211,777	845	2,518,916	368,171	1,903,902	257,218	-	113,256	7,374,085
Appropriation of earnings (note 1):									
Legal reserve	-	-	-	172,258	(172,258)	-	-	-	-
Stock dividends	443,512	-	-	-	(443,512)	-	-	-	-
Cash dividends	-	-	-	-	(554,390)	-	-	-	(554,390)
Issuance of common stock for cash and compensation costs arising from employee subscription rights	312,500	-	1,963,355	-	-	-	-	-	2,275,855
Stock dividends to employees as bonus	16,550	-	103,450	-	-	-	-	-	120,000
Issuance of stock from exercised employee stock options	10,074	(337)	6,896	-	-	-	-	-	16,633
Change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	267,820	267,820
Foreign currency translation adjustments	-	-	-	-	-	(77,458)	-	-	(77,458)
Net income for 2009	-	-	-	-	475,560	-	-	-	475,560
Pension adjustment - unrecognized pension cost	-	-	-	-	-	-	(16,049)	-	(16,049)
Balance at December 31, 2009	<u>2,994,413</u>	<u>508</u>	<u>4,592,617</u>	<u>540,429</u>	<u>1,209,302</u>	<u>179,760</u>	<u>(16,049)</u>	<u>381,076</u>	<u>9,882,056</u>
Appropriation of earnings (note 2):									
Legal reserve	-	-	-	47,556	(47,556)	-	-	-	-
Stock dividends	209,738	-	-	-	(209,738)	-	-	-	-
Cash dividends	-	-	-	-	(299,627)	-	-	-	(299,627)
Issuance of common stock for cash	610,000	-	4,958,757	-	-	-	-	-	5,568,757
Stock dividends to employees as bonus	4,255	-	22,745	-	-	-	-	-	27,000
Issuance of stock from exercised employee stock options	1,850	(508)	772	-	-	-	-	-	2,114
Change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(29,062)	(29,062)
Foreign currency translation adjustments	-	-	-	-	-	(286,518)	-	-	(286,518)
Adjustment of retained earnings accounted for under the equity method	-	-	-	-	(916)	-	-	-	(916)
Pension adjustment - unrecognized pension cost	-	-	-	-	-	-	(5,129)	-	(5,129)
Net income for 2010	-	-	-	-	3,568,609	-	-	-	3,568,609
Balance at December 31, 2010	<u>\$ 3,820,256</u>	<u>-</u>	<u>9,574,891</u>	<u>587,985</u>	<u>4,220,074</u>	<u>(106,758)</u>	<u>(21,178)</u>	<u>352,014</u>	<u>18,427,284</u>

Note 1 : Net income for 2008 was excluded director's and supervisor's remuneration and employee bonuses amounted \$24,046 thousand and \$180,344 thousand, respectively.

Note 2 : Net income for 2009 was excluded director's and supervisor's remuneration and employee bonuses amounted \$12,274 thousand and \$92,054 thousand, respectively.

See accompanying notes to financial statements.

SINO-AMERICAN SILICON PRODUCTS INC.

Statements of Cash Flows

Years ended December 31, 2010 and 2009

(Expressed in thousands of New Taiwan dollars)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Net income	\$ 3,568,609	475,560
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	1,106,990	679,319
Amortization	176	720
Provision for (reversal of) allowance for doubtful accounts	(36,785)	36,276
Provision for inventory obsolescence and devaluation loss	21,459	18,437
Investment gain recognized by equity method	(662,634)	(79,840)
Cash dividends received under the equity method	115	-
Loss (gain) on disposal of fixed assets	15	(244)
Gain on disposal of the equity investment	(9,534)	(165,734)
Impairment loss of the financial assets	141,697	-
Expense with no effect on cash flow	(220,836)	-
Compensation cost arising from issuance of common stock for cash that is reserved for employees	-	21,563
Change in operating assets and liabilities:		
Notes and accounts receivable	(86,816)	(492,815)
Notes and accounts receivable from related parties	(502,652)	17,780
Inventories	(709,856)	179,326
Prepayments for materials	162,606	74,164
Other financial assets – current	8,421	(33,456)
Deferred income tax assets	(3,082)	31,854
Other operation-related assets	119,557	7,575
Notes and accounts payable	283,068	427,934
Notes and accounts payable from related parties	(326,980)	206,204
Received in advance for sales	(248,704)	(363,725)
Accrued pension liabilities	(1,017)	2,176
Deferred credit	33,322	(10,286)
Other operation-related liabilities	<u>917,295</u>	<u>(63,348)</u>
Net cash provided by operating activities	<u>3,554,434</u>	<u>969,440</u>
Cash flows from investing activities:		
Proceeds from disposal of available-for-sale financial assets – non-current	10,215	183,547
Acquisition of financial assets carried at cost	(26,096)	-
Increase in the long term investment at equity	(891,676)	(794,894)
Acquisition of property and equipment	(2,578,442)	(2,358,030)
Proceeds from disposal of property and equipment	676	-
Increase in deposits-out	(740)	-
Decrease (increase) in deferred charges	2,255	(21,652)
Increase in restricted assets	<u>(195)</u>	<u>(3)</u>
Net cash used in investing activities	<u>(3,484,003)</u>	<u>(2,991,032)</u>

(Continued)

See accompanying notes to financial statements.

SINO-AMERICAN SILICON PRODUCTS INC.

Statements of Cash Flows (continued)

Years ended December 31, 2010 and 2009

(Expressed in thousands of New Taiwan dollars)

	<u>2010</u>	<u>2009</u>
Cash flows from financing activities:		
Decrease in short-term borrowings	(648,665)	(375,139)
Increase in long-term loans payable	860,000	1,630,000
Repayment of long-term loans	(221,000)	(1,000,000)
Payments of cash dividends	(299,627)	(554,390)
Proceed from capital increase	5,568,757	2,254,292
Proceeds from issuance of stock for employee stock options exercised	<u>2,114</u>	<u>16,633</u>
Net cash provided by financing activities	<u>5,261,579</u>	<u>1,971,396</u>
Net increase (decrease) in cash	5,332,010	(50,196)
Cash at beginning of year	<u>874,528</u>	<u>924,724</u>
Cash at end of year	\$ <u>6,206,538</u>	\$ <u>874,528</u>
Supplemental disclosures of cash flow information:		
Cash payments of interest (excluding interest capitalized)	\$ <u>65,886</u>	\$ <u>74,036</u>
Cash payments of income taxes	\$ <u>1,317</u>	\$ <u>127,696</u>
Non-cash investing and financing activities:		
Current portion of long-term loans payable	\$ <u>1,376,000</u>	\$ <u>408,333</u>
Bonuses to employees – stock	\$ <u>27,000</u>	\$ <u>120,000</u>
Acquisition of property, plant and equipment:		
Increase in property, plant and equipment	\$ 2,683,801	2,219,373
Changes in payables on equipment	<u>(105,359)</u>	<u>138,657</u>
	\$ <u>2,578,442</u>	\$ <u>2,358,030</u>

See accompanying notes to financial statements.

Attachment 4

**SINO-AMERICAN SILICON PRODUCTS INC.
AND SUBSIDIARIES**

Consolidated Financial Statements

December 31, 2010 And 2009

(With Independent Auditors' Report Thereon)

Independent Auditors' Audit Report

The Board of Directors
Sino-American Silicon Products Inc.:

We have audited the accompanying consolidated balance sheets of Sino-American Silicon Products Inc. and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of a subsidiary, GlobiTech Incorporated for the years ended on December 31, 2010 and 2009, and an investee, Sunrise Global Solar Energy Corp., in which the Company had long-term investments accounted for under the equity method, for the year ended on December 31, 2010, which are included in the consolidated financial statements. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for GlobiTech Incorporated and Sunrise Global Solar Energy Corp., is based solely on the reports of the other auditors. The subsidiary, GlobiTech Incorporated, had total assets of \$2,442,969 thousand and \$1,710,960 thousand as of December 31, 2010 and 2009, respectively, and total revenue of \$2,306,868 thousand and \$1,086,087 thousand for the years ended December 31, 2010 and 2009, respectively. The long-term investments accounted for under the equity method had a carrying value of \$1,061,409 thousand as of December 31, 2010, and the total gain recognized on those investments amounted to \$79,764 thousand for the year ended December 31, 2010.

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

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sino-American Silicon Products Inc. and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for the years then ended, in conformity with the Guidelines Governing and Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

As discussed in Note 2 to the consolidated financial statements, effective January 1, 2009, the Company and its subsidiaries adopted Republic of China Statement of Financial Accounting Standards (“SFAS”) No. 10 “Inventories” as amended, resulting in a decrease in net income of \$56,270 and basic earnings per common share of \$0.20, respectively, for the year ended December 31, 2009.

KPMG
Hsinchu, Taiwan (the Republic of China)
February 28, 2011

Note to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The auditors’ report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language auditors’ report and financial statements, the Chinese version shall prevail.

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2010 and 2009

(Expressed in thousands of New Taiwan dollars)

Assets	2010	2009
Current assets:		
Cash (notes 4 and 5)	\$ 7,070,626	973,319
Notes and accounts receivable, net (note 6)	2,356,811	2,203,958
Accounts receivable from related parties (note 19)	299,681	104,045
Other financial assets – current	25,106	13,486
Inventories (note 7)	1,986,145	1,324,992
Prepayments for materials(note 21)	1,055,944	846,212
Deferred income tax assets – current (note 17)	66,155	43,259
Other current assets (note 5)	314,959	234,922
	<u>13,175,427</u>	<u>5,744,193</u>
Long-term investments:		
Equity-method investments (note 8)	1,061,409	-
Available-for-sale financial assets – non-current (note 5)	381,019	410,761
Financial assets carried at cost – non-current (note 5)	1,481,649	1,697,250
Other financial assets – non-current (note 20)	4,542	4,447
Prepayments for long-term investment in stocks(note 8)		-
	<u>9,000</u>	<u>-</u>
	<u>2,937,619</u>	<u>2,112,458</u>
Property, plant and equipment (notes 10 and 20):		
Land	23,304	25,624
Buildings and improvements	4,129,309	3,992,706
Machinery and equipment	8,271,654	5,773,269
Other equipment	1,352,339	1,267,502
	<u>13,776,606</u>	<u>11,059,101</u>
Less: accumulated depreciation	(4,661,632)	(3,472,131)
Prepayment for equipment and construction in progress	975,793	540,624
	<u>10,090,767</u>	<u>8,127,594</u>
Intangible assets (note 9):		
Goodwill	622,593	684,575
Land use rights (note 20)	9,102	9,972
	<u>631,695</u>	<u>694,547</u>
Other assets:		
Deferred charges and other assets	11,689	30,307
Long-term prepayments for materials (note 21)	4,083,405	4,449,156
	<u>4,095,094</u>	<u>4,479,463</u>
Total Assets	\$ <u>30,930,602</u>	<u>21,158,255</u>

See accompanying notes to consolidated financial statements.

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES

Consolidated Balance Sheets (continued)

December 31, 2010 and 2009

(Expressed in thousands of New Taiwan dollars)

Liabilities and Stockholders' Equity	2010	2009
Current liabilities:		
Short-term borrowings (notes 11 and 20)	\$ 221,769	1,033,046
Notes and accounts payable	1,734,724	1,408,595
Payroll and bonus payable	323,834	101,869
Accrued employee bonuses and director's and supervisor's remuneration (notes 15)	450,602	104,328
Current portion of received in advance for sales (notes 19 and 21)	973,989	717,424
Current portion of long-term loans payable (notes 12 and 20)	1,376,000	408,333
Current installments of notes payable (note 13)	-	18,335
Accrued expenses and other current liabilities	<u>930,163</u>	<u>459,635</u>
	<u>6,011,081</u>	<u>4,251,565</u>
Long-term liabilities:		
Long-term loans payable (notes 12 and 20)	2,393,000	2,721,667
Long-term notes payable (notes 13 and 20)	<u>-</u>	<u>22,342</u>
	<u>2,393,000</u>	<u>2,744,009</u>
Other liabilities:		
Other liabilities – other (notes 14 and 17)	303,921	202,842
Revenue received in advance for sales – non-current (notes 19 and 21)	<u>3,795,316</u>	<u>4,077,783</u>
	<u>4,099,237</u>	<u>4,280,625</u>
Total liabilities	<u>12,503,318</u>	<u>11,276,199</u>
Stockholders' equity (note 15):		
Common stock	<u>3,820,256</u>	<u>2,994,413</u>
Advance receipts for common stock	<u>-</u>	<u>508</u>
Capital surplus	<u>9,574,891</u>	<u>4,592,617</u>
Retained earnings:		
Legal reserve	587,985	540,429
Unappropriated earnings	<u>4,220,074</u>	<u>1,209,302</u>
	<u>4,808,059</u>	<u>1,749,731</u>
Other stockholders' equity:		
Foreign currency translation adjustment	(106,758)	179,760
Unrecognized pension cost	(21,178)	(16,049)
Unrealized gain on available-for-sale financial assets	<u>352,014</u>	<u>381,076</u>
Total stockholders' equity	<u>224,078</u>	<u>544,787</u>
	18,427,284	9,882,056
Commitments and contingencies (notes 11, 12 and 21)		
Total Liabilities and Stockholders' Equity	\$ <u><u>30,930,602</u></u>	<u><u>21,158,255</u></u>

See accompanying notes to consolidated financial statements.

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES

Consolidated Statements of Income

Years ended December 31, 2010 and 2009

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

	<u>2010</u>	<u>2009</u>
Sales (note 19)	\$ 22,565,391	11,918,879
Less: sales return and allowance	<u>45,875</u>	<u>205,528</u>
	22,519,516	11,713,351
Processing revenue	<u>9,186</u>	<u>188,659</u>
Net revenue	22,528,702	11,902,010
Cost of goods sold (note 7)	<u>16,997,889</u>	<u>10,679,848</u>
Gross profit	<u>5,530,813</u>	<u>1,222,162</u>
Operating expenses:		
Selling	156,263	118,296
Administrative	490,414	231,570
Research and development	<u>619,669</u>	<u>496,234</u>
	<u>1,266,346</u>	<u>846,100</u>
Operating income	<u>4,264,467</u>	<u>376,062</u>
Non-operating income and gains:		
Interest income	8,559	5,989
Investment gain recognized by equity method (note 8)	79,764	-
Dividend income	10,052	9,748
Government grants	10,576	12,865
Gain on disposal of investments	9,534	165,734
Foreign exchange gain, net	-	21,766
Other income	<u>59,980</u>	<u>12,212</u>
	<u>178,465</u>	<u>228,314</u>
Non-operating expenses and losses:		
Interest expense (note 10)	74,714	82,663
Investment loss recognized by equity method (note 8)	-	1,314
Foreign exchange loss, net	141,759	-
Impairment loss of financial assets (note 5)	<u>141,697</u>	<u>-</u>
	<u>358,170</u>	<u>83,977</u>
Income before income taxes	4,084,762	520,399
Income tax expenses (note 17)	<u>516,153</u>	<u>44,839</u>
Net income	\$ <u><u>3,568,609</u></u>	\$ <u><u>475,560</u></u>
	<u>Before Tax</u>	<u>After Tax</u>
Earnings per share (in dollars) (note 16)		
Basic earnings per share – retroactively adjusted	\$ <u><u>11.42</u></u>	\$ <u><u>10.50</u></u>
Diluted earnings per share – retroactively adjusted	\$ <u><u>11.24</u></u>	\$ <u><u>10.34</u></u>
	<u>Before Tax</u>	<u>After Tax</u>
	<u><u>1.76</u></u>	<u><u>1.58</u></u>
	<u><u>1.74</u></u>	<u><u>1.56</u></u>

See accompanying notes to consolidated financial statements.

SINO-AMERICAN SILICON PRODUCTS INC. AND SU BSI DIARIES
Consolidated Statements of Changes in Stockholders' Equity
Years ended December 31, 2010 and 2009

(Expressed in thousands of New Taiwan dollars)

	Common stock	Advance receipts for common stock	Capital surplus	Retained earnings Legal reserve	Unappro- priated earnings	Foreign currency translation adjustment	Unrecognized pension cost	Unrealized gain (loss) on available-for- sale financial assets	Total
Balance at January 1, 2009	\$ 2,211,777	845	2,518,916	368,171	1,903,902	257,218	-	113,256	7,374,085
Appropriation of earnings (note 1):									
Legal reserve	-	-	-	172,258	(172,258)	-	-	-	-
Stock dividends	443,512	-	-	-	(443,512)	-	-	-	-
Cash dividends	-	-	-	-	(554,390)	-	-	-	(554,390)
Issuance of common stock for cash and compensation costs arising from employee subscription rights	312,500	-	1,963,355	-	-	-	-	-	2,275,855
Stock dividends to employees as bonus	16,550	-	103,450	-	-	-	-	-	120,000
Issuance of stock from exercised employee stock options	10,074	(337)	6,896	-	-	-	-	-	16,633
Change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	267,820	267,820
Foreign currency translation adjustments	-	-	-	-	-	(77,458)	-	-	(77,458)
Net income for 2009	-	-	-	-	475,560	-	-	-	475,560
Pension adjustment - unrecognized pension cost	-	-	-	-	-	-	(16,049)	-	(16,049)
Balance at December 31, 2009	<u>2,994,413</u>	<u>508</u>	<u>4,592,617</u>	<u>540,429</u>	<u>1,209,302</u>	<u>179,760</u>	<u>(16,049)</u>	<u>381,076</u>	<u>9,882,056</u>
Appropriation of earnings (note 2):									
Legal reserve	-	-	-	47,556	(47,556)	-	-	-	-
Stock dividends	209,738	-	-	-	(209,738)	-	-	-	-
Cash dividends	-	-	-	-	(299,627)	-	-	-	(299,627)
Issuance of common stock for cash	610,000	-	4,958,757	-	-	-	-	-	5,568,757
Stock dividends to employees as bonus	4,255	-	22,745	-	-	-	-	-	27,000
Issuance of stock from exercised employee stock options	1,850	(508)	772	-	-	-	-	-	2,114
Change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(29,062)	(29,062)
Foreign currency translation adjustments	-	-	-	-	-	(286,518)	-	-	(286,518)
Adjustment of retained earnings accounted for under the equity method	-	-	-	-	(916)	-	-	-	(916)
Pension adjustment - unrecognized pension cost	-	-	-	-	-	-	(5,129)	-	(5,129)
Net income for 2010	-	-	-	-	3,568,609	-	-	-	3,568,609
Balance at December 31, 2010	<u>\$ 3,820,256</u>	<u>-</u>	<u>9,574,891</u>	<u>587,985</u>	<u>4,220,074</u>	<u>(106,758)</u>	<u>(21,178)</u>	<u>352,014</u>	<u>18,427,284</u>

Note 1 : Net income for 2008 was excluded director's and supervisor's remuneration and employee bonuses amounted \$24,046 thousand and \$180,344 thousand, respectively.

Note 2 : Net income for 2009 was excluded director's and supervisor's remuneration and employee bonuses amounted \$12,274 thousand and \$92,054 thousand, respectively.

See accompanying notes to consolidated financial statements.

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2010 and 2009

(Expressed in thousands of New Taiwan dollars)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Net income	\$ 3,568,609	475,560
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	1,417,285	975,930
Amortization	4,441	7,963
Provision for (reversal of) allowance for doubtful accounts	(35,110)	36,874
Provision for inventory obsolescence and devaluation loss	20,735	23,979
Investment loss (gain) recognized by equity method	(79,764)	1,314
Cash dividends received under the equity method	115	-
Loss on disposal of fixed assets	6,571	21,288
Gain on disposal of the equity investment	(9,534)	(165,734)
Impairment loss of the financial assets	141,697	-
Expense with no effect on cash flow	(220,836)	-
Compensation cost arising from issuance of common stock for cash that is reserved for employees	-	21,563
Change in operating assets and liabilities:		
Notes and accounts receivable	(159,692)	(758,850)
Notes and accounts receivable from related parties	(195,636)	(34,896)
Inventories	(706,955)	360,300
Prepayments for materials	156,019	95,298
Other financial assets – current	(11,620)	8,234
Deferred income tax assets	80,164	31,854
Other operation-related assets	140,799	(141,793)
Notes and accounts payable	326,129	482,150
Received in advance for sales	(248,748)	(363,650)
Accrued pension liabilities	(1,017)	2,176
Other operation-related liabilities	<u>1,141,434</u>	<u>(126,128)</u>
Net cash provided by operating activities	<u>5,335,086</u>	<u>953,432</u>
Cash flows from investing activities:		
Proceeds from disposal of available-for-sale financial assets – non-current	10,215	183,547
Acquisition of financial assets carried at cost	(26,096)	-
Increase in the long term investment at equity	(891,676)	(711,594)
Acquisition of property and equipment	(3,556,243)	(2,525,911)
Proceeds from disposal of property and equipment	42,568	-
Decrease (increase) in deposits-out	100	(1,054)
Decrease (increase) in deferred charges	14,499	(21,102)
Increase in restricted assets	<u>(195)</u>	<u>(3)</u>
Net cash used in investing activities	<u>(4,406,828)</u>	<u>(3,076,117)</u>

(Continued)

See accompanying notes to consolidated financial statements.

SINO-AMERICAN SILICON PRODUCTS INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (continued)

Years ended December 31, 2010 and 2009

(Expressed in thousands of New Taiwan dollars)

	<u>2010</u>	<u>2009</u>
Cash flows from financing activities:		
Decrease in short-term borrowings	(811,277)	(321,032)
Increase in long-term loans payable	860,000	1,630,000
Repayment of long-term loans	(221,000)	(1,000,000)
Payments of cash dividends	(299,627)	(554,390)
Proceed from capital increase	5,568,757	2,254,292
Proceeds from issuance of stock for employee stock options exercised	<u>2,114</u>	<u>16,633</u>
Net cash provided by financing activities	<u>5,098,967</u>	<u>2,025,503</u>
Effect of exchange rate changes on cash	<u>70,082</u>	<u>22,294</u>
Net increase (decrease) in cash	<u>6,097,307</u>	<u>(74,888)</u>
Cash at beginning of year	<u>973,319</u>	<u>1,048,207</u>
Cash at end of year	<u>\$ 7,070,626</u>	<u>\$ 973,319</u>
Supplemental disclosures of cash flow information:		
Cash payments of interest (excluding interest capitalized)	<u>\$ 71,372</u>	<u>\$ 76,976</u>
Cash payments of income taxes	<u>\$ 77,667</u>	<u>\$ 128,597</u>
Non-cash investing and financing activities:		
Current portion of long-term loans payable	<u>\$ 1,376,000</u>	<u>\$ 408,333</u>
Current installments of notes payable	<u>\$ -</u>	<u>\$ 18,335</u>
Bonuses to employees – stock	<u>\$ 27,000</u>	<u>\$ 120,000</u>
Acquisition of property, plant and equipment:		
Increase in property, plant and equipment	\$ 3,662,745	2,390,344
Changes in payables on equipment	<u>(106,502)</u>	<u>135,567</u>
	<u>\$ 3,556,243</u>	<u>\$ 2,525,911</u>

Attachment 5

Information of Investment in Mainland China

In Thousands of New Taiwan Dollars and Foreign Currency, Unless Stated Otherwise

Investee Company	Main Business and Products	Total Amount of Paid-in Capital	Investment Type (Note1)	Accumulated Outflow of Investment from Taiwan as of January 1,2010	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31,2010	Percentage of Ownership in Investment	Investment Gain(Loss) (Note 2)	Carrying Value as of December 31,2010	Accumulated Inward Remittance of Earnings as of December31, 2010
					Outflow	Inflow					
Kunshan Sino silicon Technology Co., Ltd	Silicon ingot Silicon wafers	769,177 (Note5)	(Note 1)	713,300	-	-	713,300	100 %	221,930	1,352,864	-

Accumulated Investment in Mainland China as of December 31,2010	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
713,300 (USD21,729 thousand)(Note 3)	818,233 (USD25,000 thousand)(Note 3)	11,056,370(Note 4)

Note1 : Indirect investment through an offshore entity.

Note2 : Amount was recognized based on the audited financial statements.

Note3 : Based on the historical exchange rate.

Note4 : The upper limit on investment is computed according to Governing The Permission of Commercial Behavior in Mainland China released by Investment Commission ,MOEA on August 29,2008.

Note5 : Including the allocation of earnings and employee bonuses to fund a capital increase.

Attachment 6

FY 2008 Implementation of Rights Issue report

FY 2008 Implementation of Rights issue

I. Description

1. Date of approval and approval documents No.: in accordance with the letter of July 14, 2008 Chin-Kuan Cheng one Tze No.0970033840 issued by the relevant regulatory authority.
2. Total amount: NT\$2,500,000 thousand
3. Sources of funding:

Plan schedule

- (1) By the issuance of new commons shares from capital increase in cash. It is proposed to issue 10,000,000 shares, with the issuing price setting at NT\$110, and to raise NT\$1,100,000,000
- (2) Other: NT\$1,400,000 thousand paid by owned capital or bank loans.

Unit:NT\$thousands

Plan	Estimated Target Schedule	Total Amount	Status of Projected Use of Capital			
			2009		2010	
			Q3	Q4	Q1	Q2
To build the plant	Q2 2009	2,500,000	750,000	750,000	500,000	500,000
Total		2,500,000	750,000	750,000	500,000	500,000

II. Implementation

Unit:NT\$thousands

Plan	Status		Total Amount as of 03/31/2011	Reasons of project ahead or delayed and the improvement plan
To build the plant	Amount	Projected	2,500,000	This project delayed because of late payment.
		Actual	2,493,371	
	Status(%)	Projected	100.00%	
		Actual	99.73%	
Total	Amount	Projected	2,500,000	-
		Actual	2,493,371	
	Status(%)	Projected	100.00%	
		Actual	99.73%	

FY 2008 rights issuance was implemented on September 19, 2008. A total amount of NTD\$1,100,000

thousand raised fund and owned capital of NTD\$1,400,000 thousand were projected to build plants. The plan is projected at NT\$2,500,000 thousand. As of March 31, 2011, actual amount is NT\$2,493,371 thousand.

III. The reasonableness for reserve balance

The plan is projected at NT\$2,500,000 thousand. As of March 31, 2011, actual amount is NT\$2,493,371 thousand, reserve amount is NT\$6,629 thousand. Reserve amount of rights issuance is NT\$0. The remaining expenses will be paid by bank loan or owned capital.

FY 2009 Implementation of Rights Issue report

FY 2009 Implementation of Rights issue

I. Description

- 1 Date of approval and approval documents No.: in accordance with the letter of July 2, 2009 Chin-Kuan Cheng one Tze No.0980031286 issued by the relevant regulatory authority.
- 2 Total amount : NT\$2,284,375 thousand
- 3 Sources of funding:
 - (1) By the issuance of new commons shares from capital increase in cash. It is proposed to issue 31,250,000 shares, with the issuing price temporarily setting at NT\$73.1, and to raise NT\$2,284,375,000
 - (2) Other: NT\$0 thousand paid by owned capital or bank loans.
- 4 Plan schedule

Unit: NT\$ thousands

Plan	Estimated Target Schedule	Total Amount	Status of Projected Use of Capital			
			2009		2010	
			Q3	Q4	Q1	Q2
Repayment of bank loans	Q1 2010	2,284,375	0	1,240,000	1,044,375	0
Total		2,284,375	0	1,240,000	1,044,375	0

II. Implementation

Unit: NT\$ thousands

Plan	Status		Total Amount as of 03/31/2010	Reasons of project ahead or delayed and the improvement plan
Repayment of bank loans	Amount	Projected	2,284,375	The reason that this project was implemented ahead of the projected schedule was that the bank loan was paid in advance.
		Actual	2,284,375	
	status(%)	Projected	100%	
		Actual	100%	
Total	Amount	Projected	2,284,375	-
		Actual	2,284,375	
	status(%)	Projected	100%	
		Actual	100%	

FY 2009 rights issuance was implemented on July 30, 2009. A total amount of NTD\$2,284,375 thousand

raised fund was projected to pay the bank loan. The actual bank loan NT\$2,284,375 thousand was paid on March 31,2010 and this project was implemented as well.

III. The reasonableness for reserve balance

The plan is projected at NT\$2,284,375 thousand. As of March 31,2010, actual amount is NT\$2,284,375 thousand, reserve amount is NT\$0 thousand.

FY 2010 Implementation of Global Depositary Shares Issue Report

FY 2010 Implementation of Rights issue

I. Description

- 1 Date of approval and approval documents No.: in accordance with the letter of August 13, 2010 Chin-Kuan Cheng one Tze No.0990041383 issued by the relevant regulatory authority.
- 2 Total amount : NT\$5,673,182 thousand
- 3 Sources of funding:
By the issuance of GDR from capital increase in cash. It is proposed to issue 61,000,000shares, with the issuing price temporarily setting at US\$2.9048, and to raise US\$174,931,000(NT\$5,673,182,000) after deducting an issuing cost of US\$2,262,000.
- 4 Plan schedule

Unit:thousands

Plan	Estimated Target Schedule	Total Amount		Status of Projected Use of Capital			
				2009	2010		
				Q4	Q1	Q2	Q3
Purchase raw material overseas	Q3 2011	USD	174,931	43,732	43,733	43,733	43,733
Total		NTD	5,673,182	1,418,295	1,418,295	1,418,296	1,418,296

II. Implementation

Unit:NT\$thousands

Plan	Status		Total Amount as of 03/31/2011	Reasons of project ahead or delayed and the improvement plan
Purchase raw material overseas	Amount	Projected	2,836,590	The reason that this project was implemented ahead of the projected schedule was that the Company revenue scaling up to meet bigger demand of purchasing raw materials.
		Actual	4,939,906	
	status(%)	Projected	50.00%	
		Actual	87.07%	

FY 2010 issuance of GDR for the new common shares from cash capital increase was implemented on September 8,2010. A total amount of USD\$174,931 thousand (NT\$5,673,182 thousand) raised fund was projected to purchase raw materials overseas. The plan is projected at NT\$2,836,590 thousand. As of March 31,2011, actual amount is NT\$4,939,906 thousand.

III. The reasonableness for reserve balance

The plan is projected at NT\$5,673,182 thousand. As of March 31,2011, actual amount is NT\$4,939,906 thousand, reserve amount is NT\$640,393 thousand. Reserve amount of rights issuance is NT\$640,393 thousand and is kept in the Appointed Account and Time Deposit Account. Therefore, risk is minimized and reward is stable so it is reasonable for reserve balance of the project.

Attachment 7

Sino-American Silicon Products Inc.

2010 Statement of Distribution of Retained Earnings

Unit:NT\$

Item	Amount	
	Sub-total	Total
Accumulated earnings at beginning of 2010		652,380,424
Less : adjustment arising from changes of equity in investments due to subsidiaries' distribution of bonus to employees or issuance of common stock		915,835
Plus : Net income of 2010		3,568,608,995
Less : 10% Legal reserve		356,860,900
Appropriation of earnings for 2010		3,863,212,684
Items of appropriation and distribution of 2010 earnings		
Less: Stock Dividends(NT\$0.5 per share)	201,066,100	
Less: Cash Dividends (NT\$5.0 per share)	2,010,660,95	
		2,211,727,045
Accumulated earnings at end of 2009		1,651,485,639
Note: Employee Bonus Distribution : NT\$ 399,709,707(Cash distribution is NT\$329,709,707 and Shares distribution is NT\$70,000,000) Directors and Supervisors' remuneration : NT\$ 53,294,628		

Note :

1. If in the future the capital stock is changed due to the execution of share buy-back, convertible bonds, the issuance of new commons shares from capital increase in cash and employee stock option, the Board of Directors is authorized to make the required adjustment to the actual earnings distribution ratio on the basis of the number of issued and outstanding stocks registered in the common stockholders' roster as at the record date.
2. The shareholder dividend distribution is rounded down to the nearest dollar. The

amount rounded off will be credited to other income of SAS.

3. The proposed employees' profit sharing of NTD399,709,907 and directors' bonus of NTD53,294,628 are different from those expenses accrued to earnings of NTD397,590,362 and NTD53,012,048, respectively. If the actual amounts subsequently resolved by the shareholders differ from the estimated amounts, the differences, NTD2,401,925, are recorded in 2011 as a change in accounting estimate.

Chairman	Ming-Kung Lu
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President	Hsiu-Lan Hsu
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Chief Account	Mei-Ying Chiu
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Attachment 8

Sino-American Silicon Products Inc.

Comparison Table for the Articles of Incorporation before and After Revision

Article No.	BEFORE THE REVISION	AFTER THE REVISION	Notes
Article5-1		The Procedures are the guidelines for the Company to provide endorsement and/or guarantee to outside parties who has business relationship with the Company.	Add new article
Article6	<p>The total capital stock of the Company shall be in the amount of NTD5,000,000,000, divided into 500,000,000 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 NTD6,000,000,000, divided into 600,000,000 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>	Amend according to business operation requirement
Article18	The Company shall have seven to nine directors and three supervisors to be elected at the shareholders' meeting among shareholders with disposing capacity. Both directors and supervisors 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.	The Company shall have nine to eleven directors and three supervisors to be elected at the shareholders' meeting among shareholders with disposing capacity. Both directors and supervisors 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.	Amend according to business operation requirement
Article30	In the event that there is profit of the final accounts for a fiscal year, the sum to pay tax and make up for the previous loss shall be first	If the Company has profit as a result of the yearly accounting closing, it will be distributed in accordance with the following:	Adjust accordingly

	<p><u>withheld, and then the 10% for legal earning reserve. After the Company distributing or reversing special earning reserve according to the law or competent authority, the rest plus the accumulated undistributed earnings of the previous period of the profit shall be distributed as follows:</u></p> <ul style="list-style-type: none"> i. <u>The employees' bonus shall not be less than 1%;</u> ii. <u>The remunerations of directors and supervisors shall be 2%;</u> iii. <u>The rest is shareholders' bonus.</u> <p><u>In order to keep sustainable development for the Company and continuous growth on earnings per share, the cash dividends for shareholders shall be no less than 50% of the dividends for shareholders.</u></p>	<ul style="list-style-type: none"> (1) <u>To make up for the previous loss;</u> (2) <u>10% of annual income retained as legal reserve until such retention equals the amount of authorized common stock;</u> (3) <u>To distribute or reverse special earning reserve according to the law or competent authority;</u> (4) <u>After deducting item (1)-(3), the remaining balance of annual income, if any, can be distributed at most 5% as remuneration to Directors and Supervisors and at least 10% as employee bonuses, the rest plus the accumulated undistributed earnings of the previous period of the profit shall be as dividends to stockholders.</u> <p><u>In order to keep sustainable development for the Company and continuous growth on earnings per share, the cash dividends for shareholders shall be no less than 50% of the dividends for shareholders.</u></p> <p><u>Employees entitled to stock bonus may include subsidiaries' employees that meet certain criteria set by the board of directors.</u></p>	
Article32	<p>This articles of Incorporation is established on Dec 25th, 1980... The 23rd amendment on June 3rd, 2009. The 24th amendment on June 15th, 2010. Implement after approvals from the meeting of stockholders.</p>	<p>This articles of Incorporation is established on Dec 25th, 1980... The 23rd amendment on June 3rd, 2009. The 24th amendment on June 15th, 2010. <u>The 25th amendment on June 17th, 2011.</u> Implement after approvals from the meeting of stockholders.</p>	Adjust accordingly

Attachment 9

Sino-American Silicon Products Inc.

Comparison Table for the Acquisition or Disposal Procedure before and After Revision

Article No.	BEFORE THE REVISION	AFTER THE REVISION	Notes
Article 1	This Procedure for acquisition or disposal of assets ("Procedure") is made pursuant to Article 36-1 of the Securities and Exchange Act ("the Act") and January 19, 2007 the Executive Yuan's Financial Supervisory Commission (hereinafter referred to as "FSC") per letter Ref. No. (96) Taiwan-Finance-Securities (1) 0960001463.	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 Executive Yuan's Financial Supervisory Commission (hereinafter referred to as "FSC") per the Regulations Governing the Acquisition or Disposal of Assets by Public Companies	Adjust accordingly
Article 3	1.Omitted 2.Omitted 3.Omitted 4.Investment in non- operational purpose fixed assets can not exceed NTD50,000,000. No short- term investment in securities. Investment in securities can not exceed NTD 50,000,000. Individual security cannot exceed NTD 10,000,000. 5.Limit of Investment in other companies: (1)The amount to invest in any single one public company can not exceed 20% of the Company and its subsidiaries' book value individually. (2)The amount to invest in any single one public company cannot exceed 60% of that company's equity value.	1.Omitted 2.Omitted 3.Omitted 4.Amount limits (1)The total amount of any real property purchased by the Corporation not for use in business operations may not exceed 15 percent 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 percent of the Corporation's net worth. (2)The total amount of investment by the Corporation in securities may not exceed 50 percent of its net worth; the total amount of investment in securities by a subsidiary of the Corporation may not exceed 30 percent of the Corporations's net worth. (3)The amount of the Corporation's investment in any single security may not exceed 30 percent of its net worth; the amount of investment by a subsidiary of the Corporation in any single security may not exceed 20 percent of the Corporation's net worth.	Adjust accordingly

Article 19	<p>The Procedures were enacted on May 29, 1990.</p> <p>The 1st amendment was made on April 26, 1996.....</p> <p>The 12th amendment was made on June 21, 2007.</p>	<p>The Procedures were enacted on May 29, 1990.</p> <p>The 1st amendment was made on April 26, 1996.....</p> <p>The 12th amendment was made on June 21, 2007.</p> <p><u>The 13th amendment was made on June 17, 2011.</u></p>	Adjust accordingly
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Attachment 10

Sino-American Silicon Products Inc. The Plan of Spin-off

Sino-American Silicon Products Inc.(the “SAS”), in order to restructure and to offer professional services for the purpose of enhancing competitiveness and performance, intends to spin off and transfer the related business (including assets, liabilities and business) of the Semiconductor division to GlobalWafers Co.(the “GlobalWafers”) (each a “Party” and collectively the “Parties”), a newly incorporated company wholly owned thereby, in exchange for new shares issued by GlobalWafers (the “Spin-off”). This Plan of Spin-off (the “Plan”) was made as follows in accordance with the Business Mergers and Acquisitions Act, Company Act and other applicable laws:

Article 1 Methods of Spin-off and the Participating companies

The method of Spin-off is that SAS shall transfer the business (including assets, liabilities and operated business) of its Semiconductor division (the “Business”) to GlobalWafers, a newly incorporated company whereas GlobalWafers shall issue new shares to SAS in exchange therefor. All companies participate in this Spin-off are as follows:

The company to spin off: Sino-American Silicon Products Inc.

The newly incorporated recipient company: GlobalWafers Co.

Article 2 Articles of Incorporation of GloablWafers Co.

Reference shall be made to 1 of Schedule 10.

Article 3 The Scope of business, business value, assets and liabilities to be spun off by Sino-American Silicon Products Inc.

1. The Business:

- (1) The business and related manufacturing and marketing staff of SAS’s Semiconductor Division.
- (2) The machineries, equipment, inventory, bank deposits, accounts receivables, long-term equity investments, other related assets (including tangible and intangible) and related liabilities of the Semiconductor Division.
- (3) Related agreements (including but not limited to purchase agreements, technology licensing agreements, technical service agreements, loan agreements and other related agreements), lawsuits, legal relationship, legal status, licenses, approval and other related rights of the Semiconductor Division. In the event that approval is required for the transfer/assignment of an agreement according to the terms hereof, such approval must be acquired before the transfer/assignment becomes effective.
- (4) The technology, software, know-how and trade secret researched, developed and owned by SAS before the record date of spin-off (the “Effective Date”) that are related to the Sapphire division shall be transferred to GlobalWafers..SAS and GlobalWafers shall work with each other to complete the procedures necessary for the transfer of the above intellectual property, technology and the maintenance of the right thereof and to provide related materials, documents and software for the other party to exercise related rights. The maintenance fee will be paid by

GlobalWafers after the Effective Date. The transfer of intellectual property as aforesaid will neither prejudice the right of any license already granted to any third parties nor have any effect on the existing confidentiality obligations shall remain in effect after the Spin Out. The licensing or transfer of related patent right and pending patent applications shall be negotiated by the Parties.

- (5) Other assets, liabilities, rights and obligations, interests, the vested and unexpired or undeducted tax incentive of the business/property to be spun off, licenses, approvals and related legal relationship, factual relationship and the status of the Semiconductor division.
2. Value of Business: is estimated to be NTD\$6,930,000,000 calculated as assets of spin-off less liabilities of spin-off.
3. The assets to be spun off: The assets anticipated to be spun off are as specified in Schedule 10-1, the value of which is estimated to be NTD\$7,771,000,000.
4. The liabilities to be spun off: The liabilities anticipated to be spun off are as specified in Schedule 10-1, the value of which is estimated to be NTD\$841,000,000.
5. The abovementioned Business value, asset value, and liability value shall be determined in accordance with the book value of SAS's financial report audited by Certified Public Accountant on December 31 of 2010.
6. If the abovementioned assets and liabilities need to be adjusted, the shareholders of SAS (the "Shareholders" or the "Shareholders of SAS") may authorize its Board of Directors (the "Board") to do such. The same will apply when adjustment is required for the Business value or the ratio of shares to be issued by GlobalWafers.

Article 4 The method of calculation of the number of shares to be issued by GlobalWafers in exchange for the Business Value, the assets and the liabilities is as follows:

1 Exchange Ratio:

The Business value of Sky is NTD\$6,930,000,000 SAS will offer NTD\$38.5 per share in exchange for each share newly issued by GlobalWafers and acquire a total amount of 180,000,000 shares of common stock of GlobalWafers. If the remainder is insufficient for exchange of a share, GlobalWafers shall, within thirty (30) days of completion of change registration, make cash payment to SAS for the remaining Business value that is insufficient for exchange of one share.

2 Computation Criteria:

The aforementioned exchange ratio is calculated based upon the expert opinion on the book value of the assets and liabilities to be spun off by SAS, the net value per share and the spin-off exchange ratio, the detail of which is provided in Schedule 10-3.

Article 5 Adjustment of the Business value, the assets and liabilities to be spun off, the number of shares to be issued by GlobalWafers and the exchange ratio

In the event of any of the following, the Shareholders of SAS may authorize its Board to modify the number of shares to be issued shares and/or the value per share. Moreover, the Business value acquired by GlobalWafers as a result of the Spin-off will be adjusted

accordingly.

1. Adjustment to the Business value is required due to change in the amount of assets, liabilities or Business value or others as of the record date of the Spin-off;
2. Changes to the amount of assets and liabilities to be spun off due to the revaluation, depreciation, amortization, increase or decrease of the assets leading to changes in the details or the amount; or
3. Any other change of applicable laws or order of authorities resulting in necessity of adjusting the ratio of issued shares provided in Article 4.

Article 6 The total number, class and volume of shares to be issued by GlobalWafers

1. The business value to be received by GlobalWafers pursuant to this Spin-off is NTD\$6,930,000,000 and GlobalWafers shall issue 180,000,000 new shares of common stock to SAS.
2. GlobalWafers shall complete the change registration and issue the common shares to SAS. Upon completion of the Spin-off, SAS will directly hold one hundred percent (100%) of the shares of GlobalWafers after this Spin-off.

Article 7 Buy-back and cancellation of shares of dissenting shareholders

SAS shall buy back the shares held by the shareholders objecting the Spin-off or the Plan according to law and dispose or cancel such shares according to the approval of the competent authority and complete the required change registration.

Article 8 Obligation of Notice to Creditors and Announcement

1. SAS shall, upon resolution by its Shareholders, prepare the balance sheet and inventory of property and give notice to each creditor and publicly announce such resolution to urge creditors to declare their rights of claims within a period of thirty (30) days, stating also that any creditor may declare his rights of claims within the period. If any creditor fails to declare his rights of claims within such period, SAS shall proceed in accordance with the applicable law.
2. If the debt to be settled according to the declaration raised by creditors in accordance with the abovementioned provision is within the scope of Business, SAS shall authorize its Board to revise the Business scope, Business value, assets and liabilities as set out in Article 3. The same will apply if the exchange ratio and price need to be adjusted.

Article 9 Assumption of rights and obligation and other related matters after Spin-off

1. Starting from the Effective Date, GlobalWafers will assume all assets and liabilities transferred by SAS and all rights and obligations valid and existing until such date. If any related procedure needs to be completed in order to consummate such transfer, SAS shall cooperate in full.
2. Unless the transferred liabilities can be severed from the liabilities borne by SAS before the Spin-off, GlobalWafers shall be jointly and severally liable with SAS for the liabilities of GlobalWafers to the extent of the capital contributed by such assumption pursuant to Paragraph 6, Section 32 of the Business Mergers and Acquisitions Act. However, the rights of creditors holding a joint and several claim against SAS and GlobalWafers will terminate two (2) years after the Effective Date.

Article 10 Dealing with the transferred employees

Employees related to the Sapphire division will be continually hired by GlobalWafers; the service years of such employees achieved shall be recognized by GlobalWafers.

Article 11 The Effective Date

1. The Effective Date shall be determined by SAS's Boards upon resolution by its Shareholders and approval by the competent authorities (including the Financial Supervisory Commission, Executive Yuan, R.O.C., the Taiwan Greta Securities Market and so on). The Effective Date may be October 1 of 2011 and the Board may adjust it as necessary.
2. SAS shall transfer the business, personnel, equipment and other related assets and liabilities of the Semiconductor division to GlobalWafers on the Effective Date.

Article 12 The timeline closing, and delay of the Spin-off

1. This Spin-off Plan may be submitted to the Shareholders on June 17, 2011 for resolution; however, the actual date of the meeting may be subject to change by the Board depending on the actual circumstances.
2. With regard to the timeline, closing and delay of the Spin-off, the Shareholders of SAS will authorize its Board to determine the relevant dates of the required Board meetings or Shareholders meetings and other related matters.

Article 13 Share of tax and expense

1. Unless otherwise provided in this Plan, all tax and expense resulting from execution or performance of this Plan shall be paid equally by the Parties except for any exemption or non-taxation. If this Plan fails due to inability to be approved by the Shareholders or the relevant authorities or other factors, all fees for lawyers, accountants and other relevant fees and expenses shall be borne by SAS.
2. Both Parties shall make their best efforts to obtain any tax incentive in respect of this Spin-off.

Article 14 Change of paid-in capital of the SAS

The paid-in capital of SAS remain the same as its original capital without any reduction after this Spin-off except for the capital reduction due to cancellation of shares in accordance with law.

Article 15 Governing law

This Spin-off shall be governed by the Business Mergers and Acquisitions Act. If any new laws are promulgated and are in favor of this Spin-off, then such new laws shall also apply.

Article 16 Miscellaneous

1. If any provision of this Plan is invalid as a result of conflicting with the applicable laws, the remainder of this Plan shall remain in effect. As for the provisions that are determined to be invalid, SAS's Shareholders shall authorize its Board to re-determine within the scope permitted by the applicable laws.
2. If any provision of the Plan needs to be modified in accordance with orders of the authorities, such provisions may be modified accordingly or be determined by the Board pursuant to such orders.
3. This Plan shall become effective upon approval by the Shareholders of SAS. Notwithstanding, the Plan shall not become effective unless and until the approval by the relevant competent authorities.

Article 17 Matters not stipulated herein shall be processed according to the relevant laws and orders of authorities. If no stipulations in the relevant laws or orders, SAS's Shareholders may authorize its Board to make the final determination.

Sino-American Silicon Products Inc

Name: M.K.Lu

Title: Chairman

Date: April 14, 2011

Attachment 10-1

GlobalWafers Corporation

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 環球晶圓股份有限公司, and GlobalWafers Corporation 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

IZ99990 Other Business(spectrum of technology, management and advisory business)

(1) Research and development, design, manufacture and sell the following products:

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

(2) The technology, management and advisory business related to the products listed above.

(3) Import-export activities related to the above mentioned business.

Article 3

The Company may provide endorsement/guarantee and make reinvestment in another company. For endorsement/guarantee and reinvestment deriving from business relationship, the limits to the Company shall not be in accordance of Article 13 of Company Law.

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 Article 28 of the Company Law.

Article 6

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 7

The total capital stock of the Company shall be in the amount of NTD3,000,000,000, divided into 300,000,000 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.

Article 8

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

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

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

Article 9

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

Article 10

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

Article 11

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

Article 12

Share transfer registration shall be suspended 30 days preceding each regular shareholders' meeting, or 15 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. After the Company publicly issued, the 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 13

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 20 days in advance in case of a regular meeting of shareholders or 10 days in advance in case of a extraordinary meeting of shareholders. The written or electrical notice shall bear date, location and subjects of the meeting. After the Company publicly issued, 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 a 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. For shareholders who hold less than a thousand shares, the Company can notice them through a public announcement.

Article 14

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 15

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 16

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 17

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 18

Minutes of shareholders' meeting shall be duly signed or sealed by the Chairman and served to all shareholders within twenty days after the meeting. The minutes may be served through a public announcement to the shareholders who hold less than a thousand shares bearing the name of the shareholder. The Minutes indicated above shall be kept with stockholders' attendance cards and their power of attorney at the Company.

Chapter IV. Directors and Supervisors

Article 19-1

The Company shall have five to eleven directors and two to three supervisors to be elected at the shareholders' meeting among shareholders with disposing capacity. Both directors and supervisors 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.

Article 19-2

After the Company publicly issued, the aforesaid directors must have at least two independent directors and shall also not be less than one fifth of the total number of directors. The candidate nomination system shall be adopted. Independent directors shall be elected from the list of candidates for independent directors at shareholders' meeting. 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 20

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 21

In the case that vacancies on the Board of Directors reach or exceed one third of the total number of the directors, or all the supervisors are in vacancy, 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 22

Each directors and supervisors shall be informed via written notice or email or fax of the convention of a Board of Director's meeting of the Company. A meeting of the Board of Directors may be held

anytime if necessary, and the methods of informing each directors and supervisors 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 proxy by a power of attorney listing the scope of empowerment. A director may serve as proxy for only one absent director.

Article 23

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

Article 24

Remunerations of Chairman, directors and supervisors 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 25

The supervisors shall be in accordance with the laws, Articles of Incorporation, and the rights entitled from the shareholders' meeting when performing their jobs.

Article 26

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

Chapter V. Management of the Corporation

Article 27

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

Article 28

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 29

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

Article 30

Upon the closing of each fiscal year, the Board of Directors shall work out the following documents and present them to supervisors for audit thirty days prior to a shareholders' meeting. Supervisors shall issue a report and present it at a regular meeting of shareholders for acknowledgement.

- (1) Business report
- (2) Financial statements
- (3) Proposal of earning distribution or loss coverage.

Article 31

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

- (1) To make up for the previous loss;
- (2) 10% of annual income retained as legal reserve until such retention equals the amount of authorized common stock;
- (3) To distribute or reverse special earning reserve according to the law or competent authority;
- (4) After deducting item (1)-(3), the remaining balance of annual income, if any, can be distributed at most 5% as remuneration to Directors and Supervisors and at least 10% as employee bonuses, the rest plus the accumulated undistributed earnings of the previous period of the profit shall be as dividends to stockholders.

In order to keep sustainable development for the Company and continuous growth on earnings per share, the cash dividends for shareholders shall be no less than 50% of the dividends for shareholders. Employees entitled to stock bonus may include subsidiaries' employees that meet certain criteria set by the board of directors.

Chapter VII. Supplementary Provisions

Article 32

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

Article 33

This articles of Incorporation is established on April 14th, 2011
Implement after approvals from the meeting of stockholders

Attachment 10-2

Estimated statements of net assets(Net Operating Value) GlobalWafers Corporation

(In thousands of New Taiwan Dollars, Except shares, par value and issuing price per share)

Accounts	Amount (NTD*000)
Assets	
Current assets	3,096,000
Funds and long-term investments	4,292,000
Fixed assets	357,000
Other assets	26,000
Total Assets (1)	7,771,000
Liabilities	
Current liabilities	579,000
Long-term liabilities	0
Other liabilities	262,000
Total Liabilities (2)	841,000
Value of the Business (1)-(2)	6,930,000

Capital Stock:

Paid-in capital: 1,800,000

Issued shares: 180,000,000

Par value per share: 10

Issuing price per share: 38.50

Authorized capital: 3,000,000

Attachment 10-3

Sino-American Silicon Products Inc.

Independent Expert Opinion to the Stock Exchange Ratio of the Spin Out

In order to improve the competitiveness and operation performance through corporate restructure and work specialization, Sino-American Silicon Products Inc. (the "SAS") is in contemplation to spin out the business (including related assets, liabilities and operation) operated by its Semiconductor Division to form a 100% owned subsidiary (the "Spin Out"), GlobalWafers Co. (the tentative name "GlobalWafers"), in exchange for GlobalWafers' total shares as consideration. As a result, GlobalWafers will assume the business of Semiconductor Division of SAS.

1. Calculation of the Stock Exchange Ratio of the Spin out

- a. The value of the Spin Out business is referred to the book value of the related assets (the "Transferred Assets") and liabilities (the "Transferred Liabilities") stated in SAS's audited financial statements ended December 31, 2010.
- b. The book value of the Transferred Assets is NTD7,771,000,000, and the book value of the Transferred Liabilities is NTD841,000,000. Therefore, the value of the Spun-out Business is NTD6,930,000,000. The book value of the Transferred Assets and Liabilities as of December 31, 2010 are set out as follows:

Accounts	Amount (NTD*000)
Assets	
Current assets	3,096,000
Funds and long-term investments	4,292,000
Fixed assets	357,000
Intangible assets	0
Other assets	26,000
Total Assets (1)	7,771,000
Liabilities	
Current liabilities	579,000
Long-term liabilities	0
Other liabilities	262,000
Total Liabilities (2)	841,000
Value of the Business (1)-(2)	6,930,000

Source : Sino-American Silicon Products Inc

- c. GlobalWafers will issue 180 million fully-paid common shares to SAS at a price of NTD38.5 per share in exchange for the Spin Out business.

2. The Reasonableness of the Stock Exchange Ratio

SAS will transfer the related assets, liabilities and operation of its Semiconductor Division, i.e., the Spin Out business, to the newly incorporated GlobalWafers through a spin out, and in exchange, GlobalWafers will issue 180 million fully-paid common shares to SAS. Thus, the exchange ratio in such Spin Out will depend on the valuation of the Spin Out business and the calculation of the price of each share to be issued by GlobalWafers, both of which are set forth as follows:

- a. The main purpose of this Spin Out is to restructure the SAS, rather than an actual transaction. According to the interpretation letter, Gi-Mi 128 dated June 14, 2002, issued by the Accounting Research and Development Foundation (the "Interpretation Letter"), with respect to the accounting for a spin out transaction, that a company (the Transferring Company) transfers its business to another (the "Transferee Company") and acquires shares from the Transferee Company is a corporate restructure by nature if these two companies have been affiliate companies prior to such transaction. Therefore, for the Transferring Company, the costs of acquiring shares shall be calculated by the book value of transferred assets (after adjusted depreciation, if any) less that of transferred liabilities without recognizing any gain exchanged, and for the Transferee Company, the costs of acquiring assets and liabilities shall be calculated based on the book value of transferred assets and liabilities (after adjusted depreciation, if any), and shall use the net of the assets and liabilities as the basis. The capital of the Transferee Company shall be the par value of shares issued and the stock premium shall be credit to capital reserve. Accordingly, it is reasonable for SAS to transfer its assets and liabilities to GlobalWafers at a price calculated based on the book value.
- b. GlobalWafers will issue 40 million fully-paid shares at a price of NTD38.5 per share to SAS, the net value of which is NTD6,930,000,000, equal to the value of the Spin Out business, that is, net of the book value of the Transferred Assets and Liabilities. Since GlobalWafers will be a subsidiary wholly owned by SAS after the consummation of this Spin Out and its net value will be equal to the value of the Spin Out business, the stock exchange ratio in this Spin Out is reasonable.

3. To conclude, considering that the stock exchange ratio in this Spin Out is calculated based on the book value of the Transferred Assets and Liabilities stated on SAS's audited financial statements ended December 31, 2010, Taiwan Sapphire will issue 180 million fully-paid common shares at a price of NTD38.5 per share to SAS, and pursuant to the Interpretation Letter, such stock exchange ratio is reasonable. Besides the Transferee Company in this Spin Out, GlobalWafers, will be a SAS wholly owned subsidiary, this Spin Out will not prejudice SAS's shareholders' equity.

Pei-Chun Tsai

CPA

Date: April 13, 2011

The resume and experiences of CPA

Name : Pei-Chun Tsai

Birth date : 1968/05/21

Birth place : Taipei

ID No. : A 220297100

Education : National Taiwan University of Economics

Position : Jason & Joanna Consulting Firm(In-charge CPA Partner)

Taiwan Takisawa Technology Co., Ltd(Independent Director)

Shanghai Takisawa Technology Ltd (Supervisor)

Experiences : Asia Public Accounts (Audit Partner)

Reality United Firm., CPAs.(Audit Manager)

Deloitte & Touche(Audit staff)

Qualification: CPA of Republic of Taiwan

Declaration of Independence

The declarant was appointed to provide evaluation opinion regarding the reasonableness of the share swap ratio in the spin-out of Sino-American Silicon Products Inc. ("SAS") to form Global Semiconductor Inc. and Sapphire Technology Limited.

For purpose of the foregoing evaluation, the declarant hereby declares the following matters:

1. The declarant and her spouse are not currently employed by SAS to perform routine work or receive a fixed salary from it.
2. The declarant and her spouse have not previously employed by SAS and discharged for less than two years.
3. The companies at which the declarant and her spouse are currently employed are not mutually related with SAS.
4. The declarant is not a spouse or a relative within the second degree of kinship of the responsible person or managerial officer of SAS.
5. The declarant and her spouse have not invested in SAS and share in interests therewith.
6. The declarant is not the CPA of SAS.
7. The declarant and her spouse are not relatives of the current directors or supervisors of the GreTai Securities Market, or a spouse or a relative within the second degree of kinship of the foregoing directors and supervisors.
8. The scope of work which the declarant or her spouse are currently engaged in his or her company has no direct business relationship with SAS.

The expert evaluation opinion provided by the declarant is detached and independent in this case.

Declarant: Pei-Chun Tsai, CPA

April 13, 2011

Attachment 11

Sino-American Silicon Products Inc. The Plan of Spin-off

Sino-American Silicon Products Inc. (the “SAS”), in order to restructure and to offer professional services for the purpose of enhancing competitiveness and performance, intends to spin off and transfer the related business (including assets, liabilities and business) of the Sapphire division to Taiwan Sapphire Co.(the “Taiwan Sapphire”) (each a “Party” and collectively the “Parties”), a newly incorporated company wholly owned thereby, in exchange for new shares issued by Taiwan Sapphire (the “Spin-off”). This Plan of Spin-off (the “Plan”) was made as follows in accordance with the Business Mergers and Acquisitions Act, Company Act and other applicable laws:

Article 1 Methods of Spin-off and the Participating companies

The method of Spin-off is that SAS shall transfer the business (including assets, liabilities and operated business) of its Sapphire division (the “Business”) to Taiwan Sapphire, a newly incorporated company whereas Taiwan Sapphire shall issue new shares to SAS in exchange therefor. All companies participate in this Spin-off are as follows:

The company to spin off: Sino-American Silicon Products Inc.

The newly incorporated recipient company: Taiwan Sapphire Co.

Article 2 Articles of Incorporation of Taiwan Sapphire Co.

Reference shall be made to 1 of Schedule 11.

Article 3 The Scope of business, business value, assets and liabilities to be spun off by Sino-American Silicon Products Inc.

1. The Business:

- (1) The business and related manufacturing and marketing staff of SAS’s Sapphire Division.
- (2) The machineries, equipment, inventory, bank deposits, accounts receivables, other related assets (including tangible and intangible) and related liabilities of the Sapphire Division.
- (3) Related agreements (including but not limited to purchase agreements, technology licensing agreements, technical service agreements, loan agreements and other related agreements), lawsuits, legal relationship, legal status, licenses, approval and other related rights of the Sapphire Division. In the event that approval is required for the transfer/assignment of an agreement according to the terms hereof, such approval must be acquired before the transfer/assignment becomes effective.
- (4) The technology, software, know-how and trade secret researched, developed and owned by SAS before the record date of spin-off (the “Effective Date”) that are related to the Sapphire division shall be transferred to Taiwan Sapphire. SAS and Taiwan Sapphire shall work with each other to complete the procedures necessary for the transfer of the above intellectual property, technology and the maintenance of the right thereof and to provide related materials, documents and software for the other party to exercise related rights. The maintenance fee will

be paid by Taiwan Sapphire after the Effective Date. The transfer of intellectual property as aforesaid will neither prejudice the right of any license already granted to any third parties nor have any effect on the existing confidentiality obligations shall remain in effect after the Spin Out. The licensing or transfer of related patent right and pending patent applications shall be negotiated by the Parties.

- (5) Other assets, liabilities, rights and obligations, interests, the vested and unexpired or undeducted tax incentive of the business/property to be spun off, licenses, approvals and related legal relationship, factual relationship and the status of the Sapphire division.
2. Value of Business: is estimated to be NTD\$1,600,000,000 calculated as assets of spin-off less liabilities of spin-off.
3. The assets to be spun off: The assets anticipated to be spun off are as specified in Schedule 11-2, the value of which is estimated to be NTD\$1,762,000,000.
4. The liabilities to be spun off: The liabilities anticipated to be spun off are as specified in Schedule 11-2, the value of which is estimated to be NTD\$162,000,000.
5. The abovementioned Business value, asset value, and liability value shall be determined in accordance with the book value of SAS's financial report audited by Certified Public Accountant on December 31 of 2010.
6. If the abovementioned assets and liabilities need to be adjusted, the shareholders of SAS (the "Shareholders" or the "Shareholders of SAS") may authorize its Board of Directors (the "Board") to do such. The same will apply when adjustment is required for the Business value or the ratio of shares to be issued by Taiwan Sapphire

Article 4 The method of calculation of the number of shares to be issued by Taiwan Sapphire in exchange for the Business Value, the assets and the liabilities is as follows:

1. Exchange Ratio:
The Business value of Sky is NTD\$1,600,000,000 SAS will offer NTD\$40 per share in exchange for each share newly issued by Taiwan Sapphire and acquire a total amount of 40,000,000 shares of common stock of Taiwan Sapphire. If the remainder is insufficient for exchange of a share, Taiwan Sapphire shall, within thirty (30) days of completion of change registration, make cash payment to SAS for the remaining Business value that is insufficient for exchange of one share.
2. Computation Criteria:
The aforementioned exchange ratio is calculated based upon the expert opinion on the book value of the assets and liabilities to be spun off by SAS, the net value per share and the spin-off exchange ratio, the detail of which is provided in Schedule 11-3.

Article 5 Adjustment of the Business value, the assets and liabilities to be spun off, the number of shares to be issued by Taiwan Sapphire and the exchange ratio

In the event of any of the following, the Shareholders of SAS may authorize its Board to modify the number of shares to be issued shares and/or the value per share. Moreover, the Business value acquired by Taiwan Sapphire as a result of the Spin-off will be

adjusted accordingly.

1. Adjustment to the Business value is required due to change in the amount of assets, liabilities or Business value or others as of the record date of the Spin-off;
2. Changes to the amount of assets and liabilities to be spun off due to the revaluation, depreciation, amortization, increase or decrease of the assets leading to changes in the details or the amount; or
3. Any other change of applicable laws or order of authorities resulting in necessity of adjusting the ratio of issued shares provided in Article 4.

Article 6 The total number, class and volume of shares to be issued by Taiwan Sapphire

1. The business value to be received by Taiwan Sapphire pursuant to this Spin-off is NTD\$1,600,000,000 and Taiwan Sapphire shall issue 40,000,000 new shares of common stock to SAS.
2. Taiwan Sapphire shall complete the change registration and issue the common shares to SAS. Upon completion of the Spin-off, SAS will directly hold one hundred percent (100%) of the shares of Taiwan Sapphire after this Spin-off.

Article 7 Buy-back and cancellation of shares of dissenting shareholders

SAS shall buy back the shares held by the shareholders objecting the Spin-off or the Plan according to law and dispose or cancel such shares according to the approval of the competent authority and complete the required change registration.

Article 8 Obligation of Notice to Creditors and Announcement

1. SAS shall, upon resolution by its Shareholders, prepare the balance sheet and inventory of property and give notice to each creditor and publicly announce such resolution to urge creditors to declare their rights of claims within a period of thirty (30) days, stating also that any creditor may declare his rights of claims within the period. If any creditor fails to declare his rights of claims within such period, SAS shall proceed in accordance with the applicable law.
2. If the debt to be settled according to the declaration raised by creditors in accordance with the abovementioned provision is within the scope of Business, SAS shall authorize its Board to revise the Business scope, Business value, assets and liabilities as set out in Article 3. The same will apply if the exchange ratio and price need to be adjusted.

Article 9 Assumption of rights and obligation and other related matters after Spin-off

1. Starting from the Effective Date, Taiwan Sapphire will assume all assets and liabilities transferred by SAS and all rights and obligations valid and existing until such date. If any related procedure needs to be completed in order to consummate such transfer, SAS shall cooperate in full.
2. Unless the transferred liabilities can be severed from the liabilities borne by SAS before the Spin-off, Taiwan Sapphire shall be jointly and severally liable with SAS for the liabilities of Taiwan Sapphire to the extent of the capital contributed by such assumption pursuant to Paragraph 6, Section 32 of the Business Mergers and Acquisitions Act. However, the rights of creditors holding a joint and several claim against SAS and Taiwan Sapphire will terminate two (2) years after the Effective Date.

Article 10 Dealing with the transferred employees

Employees related to the Sapphire division will be continually hired by Taiwan Sapphire; the service years of such employees achieved shall be recognized by Taiwan Sapphire.

Article 11 The Effective Date

1. The Effective Date shall be determined by SAS's Boards upon resolution by its Shareholders and approval by the competent authorities (including the Financial Supervisory Commission, Executive Yuan, R.O.C., the Taiwan Greta Securities Market and so on). The Effective Date may be October 1 of 2011 and the Board may adjust it as necessary.
2. SAS shall transfer the business, personnel, equipment and other related assets and liabilities of the Sapphire division to Taiwan Sapphire on the Effective Date.

Article 12 The timeline closing, and delay of the Spin-off

1. This Spin-off Plan may be submitted to the Shareholders on June 17, 2011 for resolution; however, the actual date of the meeting may be subject to change by the Board depending on the actual circumstances.
2. With regard to the timeline, closing and delay of the Spin-off, the Shareholders of SAS will authorize its Board to determine the relevant dates of the required Board meetings or Shareholders meetings and other related matters.

Article 13 Share of tax and expense

1. Unless otherwise provided in this Plan, all tax and expense resulting from execution or performance of this Plan shall be paid equally by the Parties except for any exemption or non-taxation. If this Plan fails due to inability to be approved by the Shareholders or the relevant authorities or other factors, all fees for lawyers, accountants and other relevant fees and expenses shall be borne by SAS.
2. Both Parties shall make their best efforts to obtain any tax incentive in respect of this Spin-off.

Article 14 Change of paid-in capital of the SAS

The paid-in capital of SAS remain the same as its original capital without any reduction after this Spin-off except for the capital reduction due to cancellation of shares in accordance with law.

Article 15 Governing law

This Spin-off shall be governed by the Business Mergers and Acquisitions Act. If any new laws are promulgated and are in favor of this Spin-off, then such new laws shall also apply.

Article 16 Miscellaneous

1. If any provision of this Plan is invalid as a result of conflicting with the applicable laws,

the remainder of this Plan shall remain in effect. As for the provisions that are determined to be invalid, SAS's Shareholders shall authorize its Board to re-determine within the scope permitted by the applicable laws.

2. If any provision of the Plan needs to be modified in accordance with orders of the authorities, such provisions may be modified accordingly or be determined by the Board pursuant to such orders.
3. This Plan shall become effective upon approval by the Shareholders of SAS. Notwithstanding, the Plan shall not become effective unless and until the approval by the relevant competent authorities.

Article 17 Matters not stipulated herein shall be processed according to the relevant laws and orders of authorities. If no stipulations in the relevant laws or orders, SAS's Shareholders may authorize its Board to make the final determination.

Sino-American Silicon Products Inc

Name: M.K.Lu

Title: Chairman

Date: April 14, 2011

Attachment 11-1

Taiwan Sapphire Corporation

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 藍寶科技股份有限公司, and Taiwan Sapphire Corporation in English language.

Article 2

The Company shall engage in the following business:

CC01080 Electronic Parts and Components Manufacturing

F119010 Electronic Materials Wholesale

F401010 International Trade

I501010 Product Design

IG03010 Energy-related Technology and Service

IZ99990 Other Business(spectrum of technology, management and advisory business)

(1) Research and development, design, manufacture and sell the following products:

- Sapphire ingot
- Sapphire wafer
- Continuous extension of process and products related to the products mentioned above

(2) The technology, management and advisory business related to the products listed above.

(3) Import-export activities related to the above mentioned business.

Article 3

The Company may provide endorsement/guarantee and make reinvestment in another company. For endorsement/guarantee and reinvestment deriving from business relationship, the limits to the Company shall not be in accordance of Article 13 of Company Law.

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 Article 28 of the Company Law.

Article 6

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 7

The total capital stock of the Company shall be in the amount of NTD1,000,000,000, divided into 100,000,000 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.

Article 8

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

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

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

Article 9

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

Article 10

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

Article 11

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

Article 12

Share transfer registration shall be suspended 30 days preceding each regular shareholders' meeting, or 15 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. After the Company publicly issued, the 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 13

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 20 days in advance in case of a regular meeting of shareholders or 10 days in advance in case of a extraordinary meeting of shareholders. The written or electrical notice shall bear date, location and subjects of the meeting. After the Company publicly issued, 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 a 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. For shareholders who hold less than a thousand shares, the Company can notice them through a public announcement.

Article 14

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 15

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 16

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 17

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 18

Minutes of shareholders' meeting shall be duly signed or sealed by the Chairman and served to all shareholders within twenty days after the meeting. The minutes may be served through a public announcement to the shareholders who hold less than a thousand shares bearing the name of the shareholder. The Minutes indicated above shall be kept with stockholders' attendance cards and their power of attorney at the Company.

Chapter IV. Directors and Supervisors

Article 19-1

The Company shall have five to eleven directors and two to three supervisors to be elected at the shareholders' meeting among shareholders with disposing capacity. Both directors and supervisors 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.

Article 19-2

After the Company publicly issued, the aforesaid directors must have at least two independent directors and shall also not be less than one fifth of the total number of directors. The candidate nomination system shall be adopted. Independent directors shall be elected from the list of candidates for independent directors at shareholders' meeting. 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 20

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 21

In the case that vacancies on the Board of Directors reach or exceed one third of the total number of the directors, or all the supervisors are in vacancy, 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 22

Each directors and supervisors shall be informed via written notice or email or fax of the convention of a Board of Director's meeting of the Company. A meeting of the Board of Directors may be held anytime if necessary, and the methods of informing each directors and supervisors 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 proxy by a power of attorney listing the scope of empowerment. A director may serve as proxy for only one absent director.

Article 23

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

Article 24

Remunerations of Chairman, directors and supervisors 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 25

The supervisors shall be in accordance with the laws, Articles of Incorporation, and the rights entitled from the shareholders' meeting when performing their jobs.

Article 26

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

Chapter V. Management of the Corporation

Article 27

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

Article 28

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 29

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

Article 30

Upon the closing of each fiscal year, the Board of Directors shall work out the following documents and present them to supervisors for audit thirty days prior to a shareholders' meeting. Supervisors shall issue a report and present it at a regular meeting of shareholders for acknowledgement.

- (1) Business report
- (2) Financial statements
- (3) Proposal of earning distribution or loss coverage.

Article 31

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

- (1) To make up for the previous loss;
- (2) 10% of annual income retained as legal reserve until such retention equals the amount of authorized common stock;
- (3) To distribute or reverse special earning reserve according to the law or competent authority;
- (4) After deducting item (1)-(3), the remaining balance of annual income, if any, can be distributed at most 5% as remuneration to Directors and Supervisors and at least 10% as employee bonuses, the rest plus the accumulated undistributed earnings of the previous period of the profit shall be as dividends to stockholders.

In order to keep sustainable development for the Company and continuous growth on earnings per share, the cash dividends for shareholders shall be no less than 50% of the dividends for shareholders. Employees entitled to stock bonus may include subsidiaries' employees that meet certain criteria set by the board of directors.

Chapter VII. Supplementary Provisions

Article 32

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

Article 33

This articles of Incorporation is established on April 14th, 2011
Implement after approvals from the meeting of stockholders

Attachment 11-2

Estimated statements of net assets(Net Operating Value) Taiwan Sapphire Corporation

(In thousands of New Taiwan Dollars, Except shares, par value and issuing price per share)

Accounts	Amount (NTD*000)
Assets	
Current assets	1,481,000
Funds and long-term investments	0
Fixed assets	281,000
Other assets	0
Total Assets (1)	1,762,000
Liabilities	
Current liabilities	162,000
Long-term liabilities	0
Other liabilities	0
Total Liabilities (2)	162,000
Value of the Business (1)-(2)	1,600,000

Capital Stock:

Paid-in capital: 400,000

Issued shares: 40,000,000

Par value per share: 10

Issuing price per share: 40.00

Authorized capital: 1,000,000

Attachment 11-3

Sino-American Silicon Products Inc.

Independent Expert Opinion to the Stock Exchange Ratio of the Spin Out

In order to improve the competitiveness and operation performance through corporate restructure and work specialization, Sino-American Silicon Products Inc. (the "SAS") is in contemplation to spin out the business (including related assets, liabilities and operation) operated by its Sapphire Division to form a 100% owned subsidiary (the "Spin Out"), Sapphire Technology Co. (the tentative name "Taiwan Sapphire"), in exchange for Taiwan Sapphire's total shares as consideration. As a result, Taiwan Sapphire will assume the business of Sapphire Division of SAS.

1. Calculation of the Stock Exchange Ratio of the Spin out

- a. The value of the Spin Out business is referred to the book value of the related assets (the "Transferred Assets") and liabilities (the "Transferred Liabilities") stated in SAS's audited financial statements ended December 31, 2010.
- b. The book value of the Transferred Assets is NTD1,762,000,000, and the book value of the Transferred Liabilities is NTD162,000,000. Therefore, the value of the Spun-out Business is NTD1,600,000,000. The book value of the Transferred Assets and Liabilities as of December 31, 2010 are set out as follows:

Accounts	Amount (NTD*000)
Assets	
Current assets	1,481,000
Funds and long-term investments	0
Fixed assets	281,000
Intangible assets	0
Other assets	0
Total Assets (1)	1,762,000
Liabilities	
Current liabilities	162,000
Long-term liabilities	0
Other liabilities	0
Total Liabilities (2)	162,000
Value of the Business (1)-(2)	1,600,000

Source : Sino-American Silicon Products Inc

- c. Taiwan Sapphire will issue 40 million fully-paid common shares to SAS at a price of NTD40 per share in exchange for the Spin Out business.

2. The Reasonableness of the Stock Exchange Ratio

SAS will transfer the related assets, liabilities and operation of its Sapphire Division, i.e., the Spin Out business, to the newly incorporated Taiwan Sapphire through a spin out, and in exchange, Taiwan Sapphire will issue 40 million fully-paid common shares to SAS. Thus, the exchange ratio in such Spin Out will depend on the valuation of the Spin Out business and the calculation of the price of each share to be issued by Taiwan Sapphire, both of which are set forth as follows:

- a. The main purpose of this Spin Out is to restructure the SAS, rather than an actual transaction. According to the interpretation letter, Gi-Mi 128 dated June 14, 2002, issued by the Accounting Research and Development Foundation (the "Interpretation Letter"), with respect to the accounting for a spin out transaction, that a company (the Transferring Company) transfers its business to another (the "Transferee Company") and acquires shares from the Transferee Company is a corporate restructure by nature if these two companies have been affiliate companies prior to such transaction. Therefore, for the Transferring Company, the costs of acquiring shares shall be calculated by the book value of transferred assets (after adjusted depreciation, if any) less that of transferred liabilities without recognizing any gain exchanged, and for the Transferee Company, the costs of acquiring assets and liabilities shall be calculated based on the book value of transferred assets and liabilities (after adjusted depreciation, if any), and shall use the net of the assets and liabilities as the basis. The capital of the Transferee Company shall be the par value of shares issued and the stock premium shall be credit to capital reserve. Accordingly, it is reasonable for SAS to transfer its assets and liabilities to Taiwan Sapphire at a price calculated based on the book value.
 - b. Taiwan Sapphire will issue 40 million fully-paid shares at a price of NTD40 per share to SAS, the net value of which is NTD1,600,000,000, equal to the value of the Spin Out business, that is, net of the book value of the Transferred Assets and Liabilities. Since Taiwan Sapphire will be a subsidiary wholly owned by SAS after the consummation of this Spin Out and its net value will be equal to the value of the Spin Out business, the stock exchange ratio in this Spin Out is reasonable.
3. To conclude, considering that the stock exchange ratio in this Spin Out is calculated based on the book value of the Transferred Assets and Liabilities stated on SAS's audited financial statements ended December 31, 2010, Taiwan Sapphire will issue 40 million fully-paid common shares at a price of NTD40 per share to SAS, and pursuant to the Interpretation Letter, such stock exchange ratio is reasonable. Besides the Transferee Company in this Spin Out, Taiwan Sapphire, will be a SAS wholly owned subsidiary, this Spin Out will not prejudice SAS's shareholders' equity.

Pei-Chun Tsai

CPA

Date: April 13, 2011

The resume and experiences of CPA

Name : Pei-Chun Tsai

Birth date : 1968/05/21

Birth place : Taipei

ID No. : A 220297100

Education : National Taiwan University of Economics

Position : Jason & Joanna Consulting Firm(In-charge CPA Partner)

Taiwan Takisawa Technology Co., Ltd(Independent Director)

Shanghai Takisawa Technology Ltd (Supervisor)

Experiences : Asia Public Accounts (Audit Partner)

Reality United Firm., CPAs.(Audit Manager)

Deloitte & Touche(Audit staff)

Qualification: CPA of Republic of Taiwan

Declaration of Independence

The declarant was appointed to provide evaluation opinion regarding the reasonableness of the share swap ratio in the spin-out of Sino-American Silicon Products Inc. ("SAS") to form Global Semiconductor Inc. and Sapphire Technology Limited.

For purpose of the foregoing evaluation, the declarant hereby declares the following matters:

1. The declarant and her spouse are not currently employed by SAS to perform routine work or receive a fixed salary from it.
2. The declarant and her spouse have not previously employed by SAS and discharged for less than two years.
3. The companies at which the declarant and her spouse are currently employed are not mutually related with SAS.
4. The declarant is not a spouse or a relative within the second degree of kinship of the responsible person or managerial officer of SAS.
5. The declarant and her spouse have not invested in SAS and share in interests therewith.
6. The declarant is not the CPA of SAS.
7. The declarant and her spouse are not relatives of the current directors or supervisors of the GreTai Securities Market, or a spouse or a relative within the second degree of kinship of the foregoing directors and supervisors.
8. The scope of work which the declarant or her spouse are currently engaged in his or her company has no direct business relationship with SAS.

The expert evaluation opinion provided by the declarant is detached and independent in this case.

Declarant: Pei-Chun Tsai, CPA

April 13, 2011

Attachment 12

Sino-American Silicon Products Inc. Independent Director Nominee List

Serial No.	Account No.	Name	Current Shareholding	ID No.	Academic Qualifications and Work Experience
1		Ming-Chang Chen	0	Q101*****	<ul style="list-style-type: none"> ● Ph D. Commercial Science of Taiwan. ● Ph D. Class of National Cheng Chi University of Department of Business Administration. ● Chairman of Management Institute in Taipei. ● Dean of the Department of Business Administration , National Chung Hsing University. ● CEO of the Foundation of China Periodicity Center. ● Director of Economic Division, Mainland Affairs Council. ● Course professor of Takming University of science and technology. ● Independent director , Sino American Silicon products inc. ● Independent director , Formosa Chemicals & Fibers Corporation.
2		Ting-Ko, Chen	0	Q100*****	<ul style="list-style-type: none"> ● Ph.D. in Business Administration, the University of Michigan, Ann Arbor, USA ● Chairman - Chinese Academy of Business Foundation ● Chief Senior Advisor - Ruentex Group ● President - CP (USA), Inc. in New York ● Vice President - J-M Manufacturing Company of the Formosa Group, USA ● Chairman – Sinopac Security Company ● Dean and Professor – Graduate School of Business Administration, National Taiwan University ● Dean and Professor, Management College, Tamkang University ● Dean and Professor, Management College, Asia University ● Independent director ,CHIN FONG MACHINE INDUSTRIAL CO,LTD.
3		Mon-Hwa, Huang	0	A200*****	<ul style="list-style-type: none"> ● EMBA, Tulane University, USA ● President of Leotek Electronics Corporation ● Manager of Texas Instruments Taiwan Ltd. ● CFO of Texas Instruments Taiwan Ltd. ● Vice President of Silitek Corporation ● Corporate Internal Audit of Lite-On Group ● Senior Vice President of Lite-On

Attachment 13

Impact of the Stock Dividend Proposal of this Shareholders meeting on Operational Performance and Earning per Share

Description		Year	Estimates for 2011
Paid-in capital at the beginning of the term (Unit: Thousand NT\$)			3,820,256
Stocks, Dividend Allocated in the Year	Cash dividend per share (Note 1)		NT\$5.00
	Stock allocated per share upon capital increase with earning		0.05 Share
	Stock allocated per share upon capital increase with capital reserve		0 Share
Change in Business Performance	Operating profit (Unit: Thousand NT\$)		N/A
	Increase (decrease) of operating profit compared with preceding year		(Note 2)
	Net profit after tax (Unit: Thousand NT\$)		
	Increase (decrease) of net profit after tax compared with preceding year		
	Earning per share (EPS) (NT\$)		
	Increase (decrease) of EPS compared with preceding year		
	Annual average return rate of investment (on grounds of annual EPS)		
Presumed EPS and EPS Ratio	Assume earnings converted to capital increase are fully allocated as cash dividend	Presumed EPS	
		Presumed annual average return rate of investment	
	If capital reserve was not converted to capital increase	Presumed EPS	
		Presumed annual average return rate of investment	
	If capital reserve was not converted to capital increase but allocated as cash dividend	Presumed EPS	
		Presumed annual average return rate of investment	

Note 1: Waiting to be approved by Shareholders' Meeting on June 17, 2011

Note 2: According to the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the company is not required to announce the Financial Forecasts information for year 2011.

Attachment 14

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

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

- 1 The Company's articles of incorporation stipulate that at least 10% of annual net income after deducting accumulated deficit, if any, must be retained as legal reserve until such retention equals the amount of authorized common stock. In addition, a special reserve in accordance with applicable laws and regulations shall be set aside. The remaining balance of annual net income, if any, can be distributed as follows:
 - (1) at least 1% as employee bonuses;
 - (2) 2% as remuneration to directors and supervisors;
 - (3) and the remainder, after retaining a certain portion for business considerations, as dividends to stockholders.

In order to maintain long-term development and stable growth, the Company has adopted a steady policy ,in which a cash dividend comprises at least 50% of the total dividend distributed.

- 2 The Board adopted a proposal of the distribution for employee bonus and remunerations for Directors and Supervisors in the following manners:
 - (1) It is proposed to allocate NT\$70,000,000 for employee stock bonus, NT\$329,709,707 for employee cash bonus, and NT\$53,294,628 for Directors and Supervisors' remunerations.
 - (2) The proposed employees' profit sharing of NTD399,709,907 and directors' bonus of NTD53,294,628 are different from those expenses accrued to earnings of NTD397,590,362 and NTD53,012,048, respectively. If the actual amounts subsequently resolved by the shareholders differ from the estimated amounts, the differences, NTD2,401,925, are recorded in 2011 as a change in accounting estimate.

Appendix 1

Sino-American Silicon Products Inc.

Rules and Procedures of Shareholders' Meeting

Article 1

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

Article 2

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

Article 3

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

Article 4

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

Article 5

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

Article 6

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

Article 7

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

Article 8

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

Article 9

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

Article 10

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

Article 11

Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

Article 12

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

Article 13

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

Article 14

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

Article 15

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

Article 16

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

Article 17

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

Article 18

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

Article 19

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

Article 20

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

Article 21

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

The 1st_{nd} amendment was made on June 12, 1998.

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

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

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

Appendix 2

Sino-American Silicon Products Inc.

Articles of Incorporation

Chapter I. General Provisions

Article 1

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

Article 2

The Company shall engage in the following business:

CC01080 Electronic Parts and Components Manufacturing

IG03010 Energy-related Technology and Service

F401010 International Trade

(1) Research and development, design, manufacture and sell the following products:

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

(2) The technology, management and advisory business related to the products listed above.

(3) Photovoltaic system integration and installation services.

(4) Import-export activities related to the above mentioned business.

Article 3

The Company may provide endorsement and guarantee and make reinvestment.

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

Article 4

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

Article 5

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

Chapter II. Capital Stock

Article 6

The total capital stock of the Company shall be in the amount of NTD5,000,000,000, divided into

500,000,000 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 transfer of stocks, pledge of rights, loss or damage, or similar stock transaction conducted by shareholders of the Company shall follow the Company Law or relevant regulations.

Article 9

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

Article 10

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

Article 11

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

Chapter III. Shareholders' Meeting

Article 12

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

An extraordinary meeting, if necessary, shall be convened in accordance with the Company Law or relevant regulations.

Unless otherwise provided in the Company Law, the shareholders' meeting shall be convened by the

Board of Directors.

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

The shareholders may execute their voting right through written or electrical form, which shall be in accordance with the relevant regulations. For shareholders who hold less than a thousand shares, the Company can notice them through a public announcement.

Article 13

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

Article 14

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

Article 15

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

Article 16

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

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

Article 17

Minutes of shareholders' meeting shall be duly signed or sealed by the Chairman and served to all shareholders within twenty days after the meeting. The minutes may be served through a public announcement to the shareholders who hold less than a thousand shares bearing the name of the shareholder. The Minutes indicated above shall be kept with stockholders' attendance cards and their

power of attorney at the Company.

Chapter IV. Directors and Supervisors

Article 18-1

The Company shall have seven to nine directors and three supervisors to be elected at the shareholders' meeting among shareholders with disposing capacity. Both directors and supervisors 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.

Article 18-2

The aforesaid directors must have at least two independent directors and shall also not be less than one fifth of the total number of directors. The candidate nomination system shall be adopted. Independent directors shall be elected from the list of candidates for independent directors at shareholders' meeting. 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 19

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

Article 20

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

Article 21

Each directors and supervisors shall be informed via written notice or email or fax of the convention of a Board of Director's meeting of the Company. A meeting of the Board of Directors may be held anytime if necessary, and the methods of informing each directors and supervisors 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 proxy by a power of attorney listing the scope of empowerment. A director may serve as proxy for only one absent director.

Article 22

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

Article 23

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

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

Article 24

The supervisors shall be in accordance with the laws, Articles of Incorporation, and the rights entitled from the shareholders' meeting when performing their jobs.

Article 25

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

Chapter V. Management of the Corporation

Article 26

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

Article 27

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 28

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

Article 29

Upon the closing of each fiscal year, the Board of Directors shall work out the following documents and present them to supervisors for audit thirty days prior to a shareholders' meeting. Supervisors shall issue a report and present it at a regular meeting of shareholders for acknowledgement.

- (1) Business report
- (2) Financial statements
- (3) Proposal of earning distribution or loss coverage.

Article 30

In the event that there is profit of the final accounts for a fiscal year, the sum to pay tax and make up for the previous loss shall be first withheld, and then the 10% for legal earning reserve. After the Company distributing or reversing special earning reserve according to the law or competent authority, the rest plus the accumulated undistributed earnings of the previous period of the profit shall be distributed as follows:

- (1) The employees' bonus shall not be less than 1%;
- (2) The remunerations of directors and supervisors shall be 2%;
- (3) The rest is shareholders' bonus.

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

Chapter VII. Supplementary Provisions

Article 31

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

Article 32

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

Implement after approvals from the meeting of stockholders

Appendix 3

Sino-American Silicon Products Inc.

Acquisition or Disposal of Assets Procedure

Article 1

This Procedure for Acquisition or Disposal of Assets ("Procedure") is made pursuant to Article 36-1 of the Securities and Exchange Act ("the Act") and January 19, 2007 the Executive Yuan's Financial Supervisory Commission (hereinafter referred to as "FSC") per letter Ref. No. (96) Taiwan-Finance-Securities (1) 0960001463.

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 and fixed assets.
- 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 Investment in non-operational purpose fixed assets can not exceed NTD100,000,000. Total investment in securities shall not exceed NTD100,000,000. Investment in a single security shall not exceed NTD50,000,000. Total investment in short-term investment securities shall not exceed NTD50,000,000. It is not allowed to establish investment company to proceed short-term investment in securities, neither does its subsidiary.
- 4 Investment in non-operational purpose fixed assets can not exceed NTD50,000,000. No short-term investment in securities. Investment in securities can not exceed NTD 50,000,000. Individual security cannot exceed NTD 10,000,000.
- 5 Limit of Investment in other companies:

- (1) The amount to invest in any single one public company can not exceed 20% of the Company and its subsidiaries' book value individually.
- (2) The amount to invest in any single one public company cannot exceed 60% of that company's equity value.

If the Company has established the Independent Director(s), 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 price of securities trading in open market is determined by market.
- 2 Securities not trading in open market should take into account the book value per share, profitability, current interest rate, coupon, growth potential, liquidity and current trading price.
- 3 Other fixed assets' acquisition or disposal shall handle with price comparison, negotiation or auction.
- 4 Responsible unit should handle within authority referred in POA
 - (1) Long, Short-term securities and fixed assets' acquisition or disposal shall approved by President
 - (2) Other fixed assets shall refer POA for authority.

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 since its occurrence, with the relevant data and information:

- (1) Acquisition of real property from related parties
 - (2) Investment in Mainland China
 - (3) Merger, acquisition, spin-off and share transfer
 - (4) The transaction losses derived from derivatives reaches the upper limit set forth in the Financial Derivatives Transaction Procedure for all or any individual contract.
 - (5) Except the above 4 mentioned situations, any transaction 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
 - iii Operational used machinery, equipment not exceeding NTD 500,000,000 and not purchased from related party.
 - iv Property built on own 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.
- 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 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 since its occurrence:

- (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.

Article 7

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

- 1 In the case that the price is decided from limited price, specified price or special price, the transaction shall be submitted for approval by the board of directors. Any changes in transaction terms and conditions, the same procedure should be followed.
- 2 Obtain more than 2 professional appraisals if the transaction amount is more than NTD 1,000,000,000.
- 3 Certified accountant's professional appraisal is needed if one of the following circumstances applies with respect to the professional's appraisal results.
 - (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 Where an appraisal is conducted before a contract execution date, 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. Transaction amount exceeding 20% of the paid-in capital or NTD 300,000,000 should have accountant's analysis. 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, an accountant shall be retained to express opinions on the reasonableness of the transaction price and the accountant shall handle the matter pursuant to Article 13 of the statements of Financial Accounting Standards No. 20 promulgated by Accounting Research and Development Foundation.

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 asset through purchase or exchange from related parties, the transaction shall be made in accordance with relevant resolution and evaluate the reasonableness of the transaction terms.
- 2 The Company has to submit information provided below to the Board of Directors for approval before its execution of the purchase of real estate from related parties:
 - (1) Reasons, necessity and the anticipated benefit of real estate purchase
 - (2) Reasons of determination of the related persons as the transaction party
 - (3) 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) Conditions and other important agreed items of the transaction
- 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.
 - (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 When the Company acquires fixed assets from related parties, the reasonableness of transaction cost should be evaluated in accordance with the following methods. In any of the following event, the Company shall consult the public accountant for his concrete opinion.
 - (1) The related party acquired the real estate due to succession or gift.
 - (2) The acquisition of real estate is based on the cooperative construction contract with the related parties.
 - (3) The acquisition of real estate is based on the cooperative construction contract with the related parties.

- 5 If the outcome evaluation according to the section 6 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 is 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.

Article 13: Merger, acquisition, spin-off and transfer of shares

- 1 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.
- 2 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.

- 3 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.
- 4 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.
- 5 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.
 - (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.
- 6 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 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 of this Article.

Article 14 : Acquisition or disposal of assets by the Company's subsidiary shall obey as follows:

1. The Company's subsidiary shall follow the Procedures when acquiring or disposing of assets.
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. The paid-in capital specified in connection with the criteria of reporting and public announcements shall be the paid-in capital of the 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 15 : 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 16 : Matters not provided herein shall be governed by the relevant laws and regulations and the relevant regulations of the Company.

Article 17:

After the Procedures are approved by the Board of Directors, the Procedures shall be submitted to the Supervisors, 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 Supervisors.

If the Company has Independent Directors, 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.

If the Company has established the audit committee, 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.

Subsequent to the establishment of an audit committee by the Corporation 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.

Subsequent to the establishment of an audit committee by the Corporation 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 18

The procedure was approved 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

Appendix 4

Sino-American Silicon Products Inc. Rules for Election of Directors and Supervisors

Article 1

These Regulations have been stipulated in accordance with the Article 21 and Article 41 of "Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies" in achieving fair, neutral, and open election of directors and supervisors.

Article 2

The election of this Company's directors shall take into consideration the overall composition of the board of directors. Board members shall possess the knowledge, skills, and qualifications required to perform their duties. The board as a whole shall possess the following abilities:

- 1 Ability to judge business operations;
- 2 Accounting and financial analysis capability;
- 3 Administrative and management ability;
- 4 Crisis management ability;
- 5 Industry knowledge;
- 6 International market outlook;
- 7 Leadership skills; and
- 8 Decision-making ability.

Article 3

The Company's supervisors shall possess the following qualities:

- 1 Trustworthiness and pragmatism
- 2 Impartial judgment
- 3 Professional knowledge
- 4 Abundance of professional or business experience
- 5 The ability to read financial statements

In addition to the qualities above, at least one of the supervisors shall have expertise in accounting or finance.

Article 4

The qualifications of the Company's independent directors shall comply with Article 2, 3 and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

The selection of the Company's independent directors shall comply with Article 5, 6, 7, 8 and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and shall be implemented in accordance with Article 24 of the "Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies."

Article 5

Independent directors shall be elected employing the candidate nomination system and procedures prescribed in Article 192-1 of the Company Law.

Article 6

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

Article 7

At the beginning of the election, the Chairman shall appoint one among the shareholders present to supervise the process and a number of persons to record the ballots respectively.

Article 8

The number of voting rights of independent and non-independent directors shall be separately calculated in accordance with the number of available seats prescribed in the Articles of Incorporation. When one person is simultaneously elected a director and a supervisor, he/she shall decide whether to serve as director or supervisor by himself/herself, and the vacant position shall be filled by the person receiving the next highest weighted number of voting rights. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.

Article 9

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

Article 10

If the candidate is a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and shareholder's number. If the candidate is not a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and the candidate's ID number. If the candidate is a government agency or a legal entity, the full name of the government agency or the

legal entity or the name(s) of their representative(s) should be filled in the column. If there are several representatives, each of the representatives' names must be filled in.

Article 11

Ballots shall be deemed void under the following conditions:

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

Article 12

The Company shall set out separate ballot boxes for directors and supervisors elections. The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

Article 13

The Board of Directors shall issue notifications to the directors and supervisors elected.

Article 14

In regard to all matters not provided in the Rule shall be govern by the Articles of Incorporation, Company Law and other related regulations.

Article 15

These Rules and any revision thereof shall become effective after approval at the shareholders' meeting. The same applies in case of revision.

Article 16

This Procedure was enacted on May 29, 1990.

The 1st amendment was made on May 21, 1993.

The 2nd amendment was made on June 21, 2002.

The 3rd amendment was made on June 8, 2006.

The 4th amendment was made on June 19, 2008

Appendix 5

Sino-American Silicon Products Inc.

Shareholdings of Directors and Supervisors

- 1 The Company disclose the shares held by Directors and Supervisors in shareholder's register as of April 19,2011 pursuant to the Article 4 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.
- 2 The current paid-in capital for shares in the Company is 402,132,190 shares. The Company's Directors hold at least 4 percent shares and the Company's Supervisors hold at least of 0.4 percent of shares, and such holdings comply with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratiosat Public Companies".

Position	Name	Shareholdings	%	Note
Chairman	Ming-Kung Lu	9,325,286	2.32%	
Vice Chairman	Tang-Liang Yao	1,566,657	0.39%	
Director	Hsiu-Lan Hsu	1,111,083	0.28%	
Director	Lin-Lin Sun	3,567,833	0.89%	
Director	Wen-Huei Tsai	2,605,897	0.65%	
Director	Kuo-Chow Chen	1,714,083	0.42%	
Director	Mao-Yang Co.,Ltd	2,110,550	0.52%	Representative: Tieh-Chih Sun
Independent Director	Ming-Chang Chen	-	-	
Independent Director	Hsiang-Ying Huang	-	-	
Subtotal		22,001,389	5.47%	Met required shareholding
Supervisor	Mong-Fang Wu	1,314,263	0.33%	
Supervisor	Su-Mei Yang	1,730,726	0.43%	
Subtotal		3,044,989	0.76%	Met required shareholding
Total		25,046,378	6.23%	Met required shareholding

Other Statement Items

Explanatory notes for the proposal at 2011 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.
2. Submission period applicable to common share holders of SAS for the submission of shareholder proposals to SAS will start from April 8 to April 18, 2010. The company has given a public notice announcing on MOPS according to the Regulation.
3. The Company has not received any proposal submitted by shareholders yet.