

Stock Code : 5483



Sino-American Silicon Products Inc.

2011 Extraordinary General Shareholders' Meeting

Meeting Handbook

Time: October 6, 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 Extraordinary General Shareholders' Meeting Procedure

1. Call Meeting to Order
2. Chairman's Address
3. Discussion Items
4. Supplementary Motions
5. Meeting Adjourned

Sino-American Silicon Products Inc.

2011 Extraordinary General Shareholders' Meeting Agenda

Time: 9:00 a.m., (Thursday) October 6, 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. Discussion Item:
 - a. The Company proposes to acquire all the semiconductor silicon wafer related business in the subsidiaries of the Japanese COVALENT MATERIALS CORPORATION in cash and submits it for resolution.
4. Supplementary Motions
5. Meeting Adjourned

Discussion Item

Item 1

(Proposed by the Boards of Directors)

- (1) Proposal: The Company proposes to acquire all the semiconductor silicon wafer related business in the subsidiaries of the Japanese COVALENT MATERIALS CORPORATION in cash and submits it for resolution.

Description:

- (1) In order to expand the scale of the Company's semiconductor business, realize operational synergies and accelerate the competitive advantage of the integration of semiconductor business and market share expansion, the Company proposes to acquire the semiconductor silicon wafer related business in subsidiary COVALENT SILICON CORPORATION and its subsidiary, COVALENT MATERIALS SEKIKAWA CORPORATION etc, which may be integrated as one company, affiliated with COVALENT MATERIALS CORPORATION, the Japanese silicon wafer company which ranked #6 in the world (hereinafter referred to as the acquisition).
- (2) The Company proposes to acquire the acquisition target and related assets and business through the Company's 100% owned GWCM Inc., or SAS's other subsidiaries or their 100% owned directly/indirectly subsidiaries, which will pay COVALENT MATERIALS CORPORATION a purchase price of 35 billion Japanese Yen in cash. In consideration of the acquisition's major effect to the Company, it is proposed to submit for resolution to extraordinary general shareholders' meeting according to article 185 item 1 paragraph 3 of the company law.
- (3) According to regulations of relevant enterprise acquisition law and company law etc, please see Attachment 1- Summary of Stock Purchase Agreement (P.5 to 6), Attachment 2 - Letter to Shareholders (P.7), and Attachment 3 – Acquisition Fairness Report (P.8 to 18).
- (4) In case of need to adjust the scope (the above semiconductor silicon wafer business) and amount etc of the acquisition, it is proposed that the shareholders' meeting authorizes the board to deal with it will full authorization.
- (5) The closing base date of the acquisition is predicted on (11/30/2011), in case of need to adjust the scope, it is proposed that the shareholders' meeting authorizes the board to deal with it will full authorization.
- (6) In case of any matter unresolved, or in case of administrative guidance of competent authority or the promulgation of relevant laws, or in case of need to change due to actual circumstances, it is proposed that the shareholders' meeting authorizes the board to deal with it will full authorization.
- (7) It is hereby submitted for resolution

Resolution:

Supplementary Motions

Meeting Adjourned

Attachment 1

SUMMARY OF STOCK PURCHASE AGREEMENT

Execution Date: August 10th, 2011

Parties : SINO-AMERICAN SILICON PRODUCTS INC. (Buyer's Parent)

GWCM INC. (Buyer)

COVALENT MATERIALS CORPORATION (Seller)

【SAS acquires Covalent Materials through its subsidiary GWCM INC., registered in Cayman Islands.】

I. Acquisition Target:

To acquire the semiconductor silicon wafer related business in subsidiary COVALENT SILICON CORPORATION and its subsidiary, COVALENT MATERIALS SEKIKAWA CORPORATION etc, which may be integrated as one company, affiliated with COVALENT MATERIALS CORPORATION.

II. Purchase Price:

Total amount is 35 billion Japanese yen with adjustment mechanism.

III. Adjustment of Purchase Price:

Difference of Net Asset Amount shown on the Balance Sheet between the Reference Date and Closing Date shall be the adjustable Purchase Price.

IV. Closing Date:

Scheduled on November 30th 2011, adjustable.

V. Conditions Precedent of Buyer's Obligation:

1. Seller must not have breached any representations and warranties and covenants to be performed or complied in any material respects.
2. By the Closing Date, Buyer and Buyer's Parent have completed all necessary procedures under the competition law/anti-monopoly acts.
3. By the Closing Date, Buyer's Parent has received all regulatory approvals from applicable authorities and shareholders' meeting in regard to this transaction.
4. Buyer must have completed the financing for payment of the Purchase Price.
5. No earthquake, tidal wave or other natural calamity, acts of terror, strikes by employee, or war, which would make it impossible or extremely difficult to continue the business or which would cause material and irreparable damage on the business, must have occurred.

VI. Representations and Warranties of Seller:

Seller shall represent and warrant following items:

1. legality of this Transaction,
2. absence of bankruptcy proceeding,
3. legality of the spin-off,
4. truth and accuracy of the financial statements in all material respects, compliance of tax
5. the legality of company's assets and free from material encumbrance,

6. all facilities and equipment of the company are in good conditions
7. has obtained all necessary licenses,
8. has complied with all environmental regulations,
9. has complied with all labor regulations,
10. true and full information disclosure,
11. possession of intellectual property and non-infringement,
12. no material violation of law or regulations,
13. no pending litigations and etc.

VII. Seller's Covenants Prior to Share Transfer:

1. Seller shall obtain the prior approval of Buyer in the events of dividend distribution, fixed asset disposals, any execution of agreement over a specific amount, amendment of the spin-off agreement or settlement of rights and obligations to be transferred, etc.
2. Seller and Buyer shall issue a press release on the execution date.
3. By the Closing Date, Seller shall clean all indebtedness incurred by the Company and its affiliates.

VIII. Seller's Covenants Following Share Transfer:

Seller shall not conduct any business competition against the business sold in this transaction within seven years after the Closing Date.

IX. Governing Law:

Japanese Law

X. Dispute Resolution:

All disputes with regard to this Agreement are to be finally resolved by arbitration held in Japan in English language.

Attachment 2

Sino-American Silicon Products Inc.

Cash Acquisition of all the semiconductor silicon wafer related business subsidiaries of the Japanese Covalent Materials Corporation

Letter to Shareholders

SAS Performs Cash Acquisition of all the semiconductor silicon wafer subsidiaries of the Japanese Covalent Materials Corporation to expand value-added semiconductor silicon wafer business

Besides surpassing competitors in solar industrial deployment, SAS board of directors passed the resolution to acquire all the semiconductor silicon wafer subsidiaries of the Japanese Covalent Materials Corporation for a total consideration of 35 billion Japanese Yen, so as to complete and expand semiconductor production line. Closing date is scheduled on November 30, 2011. In order to meet future strategy and capacity, the acquisition purposes to complete SAS' product portfolio and offer greater efficiencies via a more fully integrated production process. The acquisition shall enhance SAS' position in the global semiconductor wafer market by adding substantial scale and reach, creating a global leader in several semiconductor specialized wafers segments and cementing its position as Taiwan's clear leader

Acquisition Purpose

SAS believes this acquisition will be highly complementary, and will hugely improve the operations of SAS' semiconductor business; in particular, the acquisition can greatly enhance the scale and technology for its 8 inch semiconductor wafer product line to make the current product portfolio more complete, providing a full range of semiconductor wafer products for its customers and increase the value-add of the business through an integrated production process. SAS expects its production of semiconductor wafers will grow nearly three times through this acquisition, making SAS the 6th largest semiconductor wafer manufacturer in the world. Besides the tier-1 clients in the Europe and America, SAS will penetrate into Japanese market which has the highest quality and precision standard in order to set up a complete global production and marketing strategic arrangement.

Introduction of Covalent Materials Corporation and its semiconductor silicon wafer subsidiaries

The predecessor of Covalent Materials Corporation was Toshiba Ceramics, a listed subsidiary of Japan's Toshiba Company. In 2007, Covalent Materials Corporation spun-off and became an independent company, producing high quality silicon wafers with diameters 6 inch to 12 inch, whose wafer business is the 6th largest global manufacturer of semiconductor silicon wafers, with a blue-chip global client base across Japan, US, Europe and Taiwan. Covalent Materials Corporation is the pioneer and global leader in development. These wafer products are widely used in the semiconductor industry including in products ranging from Flash, LCD-D, DRAM, MEMS, Power and IGBT, and the products have been well-recognized for their performance and quality. Covalent Materials Corporation and its semiconductor silicon wafer related subsidiaries currently have about 1,400 staff and generated a revenue of JPY 41.0 billion, operating income of JPY 0.5 billion in the fiscal year ended 31 March, 2011.

Holding principles of solidity to serve customers, and maximize profit for shareholders, SAS asks for all of your kind support on the project in order to enhance competitiveness and value added, so as to strengthen semiconductor wafer business in the competitive global market.

Chairman



Attachment 3

Sino-American Silicon Products Inc.

Acquisition of Subsidiaries (Silicon Wafer Business) of Japanese Company Covalent Materials Corp. Fairness Report of Acquisition Price

The Board of Directors

Sino-American Silicon Products Inc.:

I was engaged by the company Sino-American Silicon Products Inc. (“the Buyer”/“SAS”) who tends to acquire Covalent Silicon Corporation and Covalent Materials Sekikawa Corporation (“the Acquisition Target”) conducted relating semiconductor silicon wafers business from its mother company named Covalent Materials Corporation, a Japanese semiconductor company, in evaluating the fairness of its acquisition price and express an opinion. With the independence, professional due care, this report is prepared based on the information as of July 29th, 2011. The information has been collected from the Buyer or other public materials and has not been examined by evidence, and thus I do not express an opinion on those information collected. This report is prepared for the Buyer’s reference and filing to the applicable governmental authorities, rather than for other third parties.

This transaction applies market-based method to evaluate the Acquisition Target based on the assumptions of an on-going basis and absence of material changes in macroeconomic, politics, investment environment, and operation and management of the Acquisition Target and etc between the cut-off date and report date. However, different purpose, assumptions or cut-off date will affect the valuation result. Therefore, this report does not contain any guarantee that valuation result will keep the same if those outside circumstance changes.

To select an appropriate valuation model, I have an understanding on the business and financial position of the Acquisition Target and select the best tool and methods to assess this transaction. Based on the market-based approach, the reasonable range for the acquisition price to acquire the Acquisition Target is approximately between 34.1 and 37.8 billion yen. Buyer determines to offer 35 billion yen and which is considered reasonable and fairly.

Independent Expert: George Chou

Certificate Number: 3209

Date: August 5th, 2011

Background

Sino-American Silicon Products Inc. (“the Buyer”/“SAS”) tends to acquire Covalent Silicon Corporation and Covalent Materials Sekikawa Corporation (“Acquisition Target”) which conduct silicon wafers business in the semiconductor sector from Covalent Materials Corporation. The Covalent Materials Corporation currently owns 100% of equity of Covalent Silicon Corporation and Covalent Materials Sekikawa Corporation. After the acquisition transaction, SAS will increase its competitive advantage through the production capacity expansion, the product lines integration, and the comprehensive synergy in the group-wide overall development.

Acquisition Target manufactures silicon wafer dominated in the semiconductor sector and focus on 200mm- and 300mm-wafers. The Buyer offer 36 billion yen as the amount of total consideration to acquire the Acquisition Target. The Buyer engages the BDO as an independent CPA to give an opinion on the reasonableness of acquisition price in compliance with the Article 22 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” in the R.O.C.

1. Historical Operating Performances of The Acquisition Target

The fairness on the acquisition price is evaluated on the basis of the historical operating performances of Acquisition Target in silicon wafer business. The aforementioned historical operating performances for previous four years are as follows:

Unit: JPY (Million Yen)	2008A	2009A	2010A	2011A
Condensed Income Statement				
Net operating revenue	59,827	54,685	34,623	41,086
Net operating income(loss)	5,448	-481	-9,715	681
Net non-operating expenses	-126	-148	-152	-280
Extraordinary loss	0	-207	-2,241	-611
Income (loss) before income tax	5,322	-836	-12,108	-211
Income tax expense (gain)	1,519	-2,545	-2,252	0
Net income (loss)	3,803	1,709	-9,856	312
EBITDA	16,657	12,639	510	8,363

Source: Provided by the Buyer and summarized in this report.

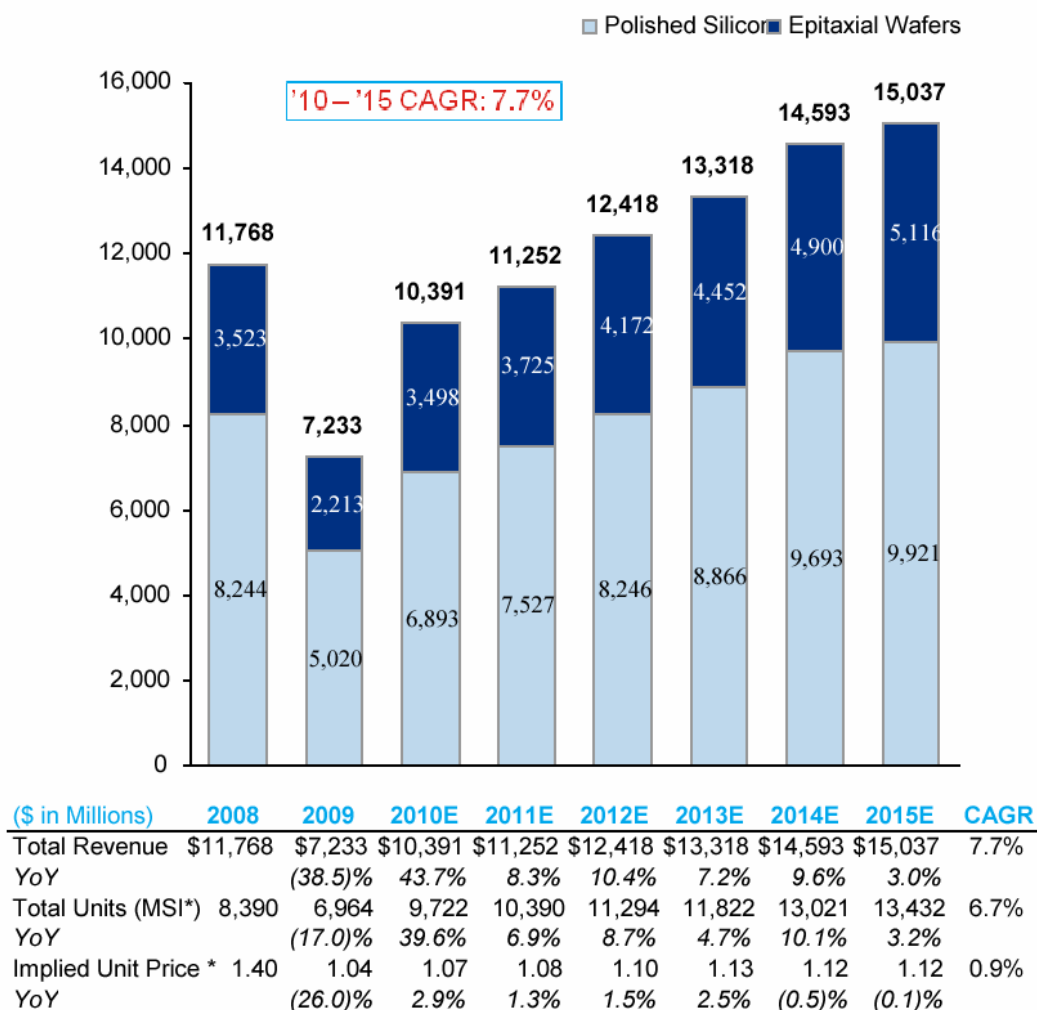
Note: The cut-off of a year falls on March 31st.

2. Industry Overview And Trends¹

The silicon wafer products which Acquisition Target manufactures are primarily used as upstream

¹ Source: Provided by the Buyer and summarized in this report.

materials in semiconductor industry. In contrast with the recession occurred in the semiconductor industry in 2009, the demand in semiconductor sector strongly rebounded in 2010. The Gartner, a professional research institution, forecast that silicon wafers industry will have a compound growth rate more than 7% from 2011 to 2015.



Source: Gartner

Note: MSI = millions of square inches

Number of Implied unit price is per square inch data

Source: Provided by the Buyer.

3. Applicable Analysis Of Evaluation Approaches

The stock evaluation methods generally recognized and applied to the academic and practical include the Market-based Approach, Income-based Approach, and Asset/cost Approach. Below are the analyses to select an appropriate approach for this acquisition deal:

(1) Market-Based Approach

This approach is pursuant to the price multiplier determined by those companies which conduct similar business and whose stocks traded in active market. P/E ratio,

P/B ratio, market value method, EV/Revenue multiples method and EV/EBITDA multiples method are popular in practice. Considering this case is a cross-boarder acquisition transaction, the comparable companies approach popularly adopted in worldwide merger and acquisition transaction should also be taken into account to reach a reasonable and reliable valuation result. The EV/Revenue multiples method and EV/EBITDA multiples method are most frequently selected under the comparable companies approach. According, I believe either EV/Revenue multiples method or EV/EBITDA multiples method attributable to the Market-based Approach is suitable to be adopted as the valuation method for this transaction.

(2) Income-based Approach:

It has been usually regarded as the most applicable approach in assessing the value of an individual business entity. Both of the earnings capitalization and discounted cash flow are popularly accepted in practice. However, the reliable historical information, reasonable estimates on future profitability and cash in-and-out flows, and objective risk factors are the concerns which may materially influence this fairness valuation result when we select the appropriate method to assess the fairness of this transaction price.

(3) Asset/cost Approach:

This approach focus on the fair value of Acquisition Target's assets, including intangible assets, and liabilities or the replacement cost of similar companies' assets and liabilities. In practice, this approach is usually applied to the cases in which an individual asset is acquired or a company is winding-up. For this acquisition case, the Buyer plans to acquire all Acquisition Target's ownership and run the business on a on-going basis. Given the considerations listed above, it would be not suitable to assess the fairness of this transaction price if Asset/cost Approach is adopted.

Due to the stable growth trend in the semiconductor industry, we believe it is reasonable to adopt EV/Revenue multiples and EV/EBITDA multiples methods with the comparative analysis results generated from the comparable companies and precedent transactions approaches.

5. Assumptions and Raw Data

Below are the reasons we screen and select raw data and fundamental assumption while we do the assessment on the fairness of this transaction price.

(1) Cut-Off Date

The availability of most recent and reliable financial and transaction information is one of the key factors to take into account. July 29th, 2011 is set as the cut-off date as the fairness is assessed accordingly.

(2) Measurement on The Value

The valuation of the Acquisition Target is on a fair value basis. "Fair Value" refers to the fact that seller offers a price and/or terms to a specific transaction, and a buyer is willing to accept and make it into a deal in an open and free traded market, providing that both seller and buyer are in capable of making deals with free mind and rational understanding in the transaction. Both buyer and seller also understand the related facts to a reasonable extent. In contrast with the ordinary concept of a regular buyer, a special buyer may consider more factors such as special circumstances or strategic alliance in the corporate business.

(3) Latest Financial Information

The financial data used in this report is based on the examined financial information in connection with the Acquisition Target. Such information covers the last four years on or prior to the year ended March 31st, 2011 (Year 2011). Of which, the average operating revenue and EBITDA for 2008 through 2010 are around 49,712 million yen and 9,935 million yen, respectively. In comparison with the average figures in terms of the operating revenue and EBITDA, the 41,086 million yen of operating revenue and 8,363 million yen of the EBITDA for the year ended March 31st, 2011 are reasonable and acceptable operation result of the Acquisition Target.

(4) Premium Due to The Controllability

SAS will obtain the ownership of Acquisition Target according to the stock purchase agreement executed for the acquisition transaction. The obtainment of ownership will have a positive impact on the future business operation and development of the Acquisition Target in regular merger and acquisition deals. It is rational to set a factor to reflect the premium when we do the assessment on the fairness of this transaction price.

(5) Discount on the Liquidity

Due to the liquidity constraints for non-publicly-offer companies, the shareholders of such companies cannot dispose of their shares in an active market while the market goes down or another investment opportunity comes to the shareholders. It is fair to set a factor to reflect the discount risk when we do the assessment on the fairness of this transaction price.

(6) Other Factors

Even though the debt elimination from the valuation model is necessary while the EV/Revenue multiples and EV/EBITDA multiples methods, the market-based approach, has been screened and selected to adopt, the transfer of the Acquisition Target will be proceeded on a debt-free basis. It leads to the avoidance from debt elimination when we do the assessment on the fairness of this transaction price.

6. Illustration of Valuation on The Acquisition Target

According to the EV/Revenue multiples and EV/EBITDA multiples methods, the market-based approach, which have been screened and selected to assess the fairness of this transaction price, following paragraphs illustrate how we reach our conclusion.

(1) Comparable Companies

As previously mentioned, we use EV/Revenue multiples and EV/EBITDA multiples methods to get a theoretical reference price and adjust the reference price with the premium or discount factors taken into account.

The database “Orbis”, powered by Bureau van Dijk, has been chosen to collect data in connection with similar silicon wafer business, in terms of products and market caption, run by public companies around the world. Hereof, we got three sample companies to excel as our valuation reference. The cut-off date is on July 29th, 2011.

The following paragraphs from a to c are the analyses as those 3 selected comparable companies excelled:

a. EV/Revenue multiples method

The comparable companies’ information generated through EV/Revenue multiples method at cut-off date are as follows:

Sample Company	Code	EV/Revenue Multiple Method (2010A)	Average Multiple Amount	Maximum Amount	Minimum Amount
SAS	5483	1.45	1.13	1.45	0.91
Wafer Works Corporation	6182	0.91			
OKMETIC OYJ	OKM1V	1.03			

Source: It's from the database Orbis of Bureau Van Dijk and summarized in this report.

The net sales revenue of Acquisition Target for the past 12 months and the range of sample companies’ reference value calculated by EV/Revenue multiple are as follows:

	Sample companies' reference value at their average EV/Revenue multiple	Theoretical reference value of the Acquisition Target
Acquisition Target's net sales revenue in 2011 (million yen)	\$ 41,086	\$ 41,086
Multiples	1.13	0.91~1.45
Reference value of Acquisition target (million yen)	\$ 46,427	\$37,388~\$59,575

Source: It's from the database Orbis of Bureau Van Dijk and summarized in this report.

b. EV/EBITDA multiples method

The comparable companies' information generated through EV/EBITDA multiples method at cut-off date are as follows:

Sample Company	Code	EV/EBITDA	Average Multiple	Maximum Amount	Minimum Amount
		Multiple Method (2010A)			
SAS	5483	5.62			
Wafer Works Corporation	6182	5.56	5.41	5.06	5.62
OKMETIC OYJ	OKM1V	5.06			

Source: It's from the database Orbis of Bureau Van Dijk and summarized in this report.

The EBITDA of Acquisition Target for the past 12 months and the range of sample companies' reference value calculated by EV/EBITDA multiple are as follows:

	Sample companies' reference value at their average EV/Revenue multiple	Theoretical reference value of the Acquisition Target
Acquisition Target's EBITDA in 2011 (million yen)	\$ 8,363	\$ 8,363
Multiples	5.41	5.06~5.62
Reference value of Acquisition target (million yen)	\$ 45,244	\$42,317~\$47,000

Source: It's from the database Orbis of Bureau Van Dijk and summarized in this report.

c. Theoretical Reference Value with The Adjustment on Premium and Discount Factors

We have screened and selected the companies comparables attributable to the market-based approach as the valuation model, we refer to the global-wide similar merger and acquisition transactions in which the public companies were the target to be merged or acquired and reach the multiples which reflect the transaction price premium against the net worth of those companies which were merged or acquired.

Around 280 merger and acquisition cases, in Asian area for last five years, have been preliminarily screened out from the database Zephyr of Bureau van Dijk with the industry code 367. After a further screen criteria such as abnormal or small deal size, we got 28 applicable cases to be our reference sample and reached a 16.94% of average premium multiple. For conservatism, we pick 15% as the premium to adjust the theoretical reference value of the Acquisition Target.

The Acquisition Target is not a public company and will cause the liquidity risk while the investors plan to sell out their shares on hand. Accordingly, we think it is reasonable to have a 30% discount on the value of the Acquisition Target to reflect the liquidity risk on the shares transaction.

Evaluation Approach	EV/Revenue Multiple Method	EV/EBITDA Multiple Method
Range of Theoretical Reference Value (million yen)	\$37,388~\$59,575	\$42,317~\$47,000
Premium	+15%	+15%
Range of Theoretical Reference Value After Premium Adjustment (million yen)	\$42,996~\$68,511	\$48,665~\$54,050
Discount	(30%)	(30%)
Acquisition target's reference value after adjustment (million yen)	\$30,097~\$47,958	\$34,065~\$37,835

Source: It's from the database Zephyr of Bureau van Dijk and practice transactions, and summarized in this report.

(2) Precedent Transactions

Similar global acquisition transactions in the silicon wafer industry with the concentration on the semiconductor field will be adopted as the reference sample. Those transaction prices and the market capitalization of the merged or acquired companies are the indicators under the precedent transactions approach. The case of SUMCO CORPORATION acquiring KOMATSU ELECTRONIC METALS CO., LTD in 2006 is the only merger/acquisition one we can find in the database Zephyr of Bureau van Dijk. Below is the summary information related to SUMCO acquisition transaction.

Acquired Company	Acquirer Company	EV/Revenue Multiple	EV/EBITDA Multiple
KOMATSU ELECTRONIC METALS CO., LTD.	SUMCO CORPORATION	1.00	5.31

Source: It's from the database Zephyr of Bureau van Dijk and summarized in this report.

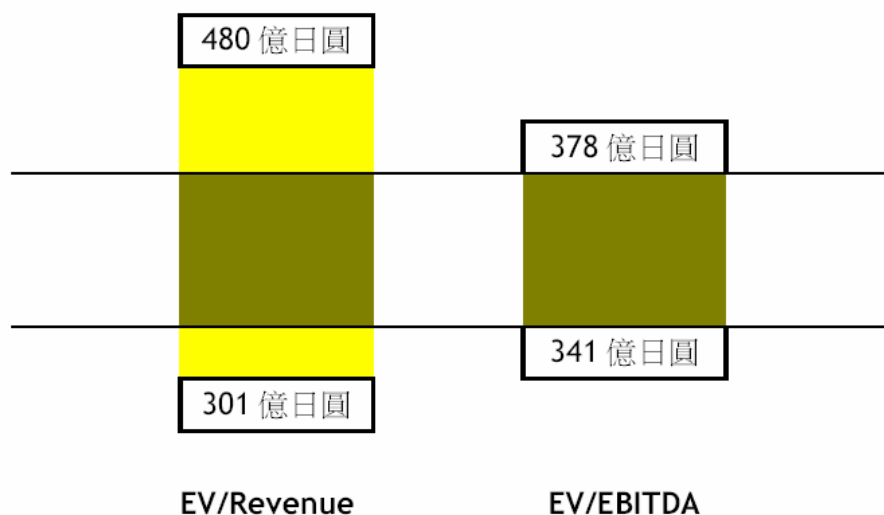
Below is the analysis of valuation by different approach.

Valuation Approach	Multiple	Acquisition Target's revenue or EBITDA (million yen)	Reference Value (million yen)
EV/Revenue multiple method	1.00	41,086	41,086
EV/EBITDA multiple method	5.31	8,363	44,408

Source: It is provided by the Acquirer Company and summarized in this report.

7. Reference ranges for reasonable acquisition price

The reference value of Acquisition Target was calculated by EV/Revenue multiples and EV/EBITDA multiples methods of market-based approach under the aforementioned methods of Comparable Companies and Precedent Transactions and two reference value ranges come out. However, the most recent and only acquisition case occurred in 2006, significant changes in economic circumstance and industry may cause different valuation result. To reach a conservative and reliable, we adopt the valuation results generated by the EV/Revenue multiple and EV/EBITDA multiple methods under companies comparables approach and reach an approximate reference value zone between 34.1 and 37.8 billion yen.



Evaluation Approach		Reference Value Range (million yen)	Reference Ranges for Reasonable Acquisition Price (billion yen)
Companies Comparables	EV/Revenue multiple method	\$30,097~\$47,958	\$34.1~\$37.8
	EV/EBITDA multiple method	\$34,065~\$37,835	

Source: Summarized in this report.

8. Conclusion

Based on the analysis of every finance, business, industry, stock valuation, and the range of theoretical reference price as well as necessary adjustment, the reasonable range for the acquisition price to acquire the Acquisition Target is approximately between 34.1 and 37.8 billion yen. Buyer determines to offer 35 billion yen and which is considered reasonable and fairly.

Independent Expert's Statement

This service is engaged by Sino-American Silicon Products Inc. ("the Buyer"/"SAS") for the purpose to evaluate the fairness of the acquisition price in the transaction of acquiring Covalent Silicon Corporation and Covalent Materials Sekikawa Corporation (the Acquisition Target) from the Covalent Materials Corporation.

For conducting the above business, I hereby represent and warrant that there is no following items prohibited by laws:

1. Either my spouse or I is employed, take job position, or receive regular incomes from the Buyer or the Acquisition Target.
2. Either my spouse or I had been employed by the Buyer or the Acquisition Target within last two years.
3. Either my spouse or I work for the company which is related to the Buyer or the Acquisition Target.
4. I have the spouse or 2nd-grade relative relation with the representative or managers of the Buyer or the Acquisition Target.
5. Either my spouse or I have investment or mutually beneficial relationship with the Buyer or the Acquisition Target.
6. I am in the position such as the director or supervisor of the Taiwan Stock Exchange Corporation (TWSE) or GreTai Securities Market or I am such director or supervisor's spouse or relative within the second grades of kinship.
7. Either my spouse or I work for the company which has business interest with the Buyer or the Acquisition Target.

For the expert opinion I expressed here for this acquisition case of Sino-American Silicon Products Inc acquiring the Acquisition target, I maintain as an independent status.

Independent Expert: George Chou

Date: August 5th, 2011

Appendix 1

Sino-American Silicon Products Inc. Rules and Procedures of Shareholders' Meeting

Article 1

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

Article 2

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

Article 3

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

Article 4

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

Article 5

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

Article 6

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

Article 7

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

Article 8

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

Article 9

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

Article 10

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

Article 11

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

Article 12

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

Article 13

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

Article 14

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

Article 15

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

Article 16

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

Article 17

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

Article 18

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

Article 19

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

Article 20

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

Article 21

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

The 1st amendment was made on June 12, 1998.

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

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

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

Appendix 2

Sino-American Silicon Products Inc.

Articles of Incorporation

Chapter I. General Provisions

Article 1.

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

Article 2:

The Company shall engage in the following business:

CC01080 Electronic Parts and Components Manufacturing

IG03010 Energy-related Technology and Service

F401010 International Trade

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

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

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

iii. Photovoltaic system integration and installation services.

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

Article 3:

The Company may provide endorsement and guarantee and make reinvestment.

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

Article 4:

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

Article 5:

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

Article5-1

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

Chapter II. Capital Stock

Article 6:

The total capital stock of the Company shall be in the amount of 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.

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 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.

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 within 60 days. 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.

- i. Business report
- ii. Financial statements
- iii. Proposal of earning distribution or loss coverage.

Article 30:

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 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
The 25th amendment on June 17th, 2011
Implement after approvals from the meeting of stockholders

Appendix 3

Sino-American Silicon Products Inc.

Shareholdings of Directors and Supervisors

- 1 The Company discloses the shares held by Directors and Supervisors in shareholder's register as of September 7, 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 423,119,081 shares. The Company's Directors hold at least 16,000,000 shares and the Company's Supervisors hold at least 16,000,000 shares, in compliance with Article 2 of "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

Position	Name	Shareholdings	Note
Chairman	Ming-Kung Lu	9,791,550	
Vice Chairman	Tang-Liang Yao	1,844,989	
Director	Hsiu-Lan Hsu	1,366,637	
Director	Solar Energy Corp.	21,111,940	Representative: Kang-Hsin Liu
Director	Solar Energy Corp.	21,111,940	Representative: Chin-Lung Chang
Director	Ling-Ling Sun	3,714,724	
Director	Wen-Huei Tsai	2,736,191	
Director	Mao-Yang Co.,Ltd	2,216,077	Representative: Tieh-Chih Sun
Independent Director	Ting-Ko Chen	—	
Independent Director	Ming-Chang Chen	—	
Independent Director	Angela Huang	—	
Subtotal		42,782,108	
Supervisor	Kuo-Chow Chen	2,438,822	
Supervisor	Su-Mei Yang	1,817,262	
Supervisor	Kun Chang Investment Co.	2,100	Representative: May-Yuan Chang
Subtotal		4,258,184	
Total		47,040,292	