

Stock Code : 5483



**Sino-American Silicon Products Inc.**

# **2012 Annual General Shareholders' Meeting**

## **Meeting Handbook**

**Time: June 27, 2012**

**Place: Science Park Life Hub Rm 203**

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

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**Sino-American Silicon Products Inc.**  
**2012 Annual General Shareholders' Meeting Procedure**

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

**Sino-American Silicon Products Inc.**  
**2012 Annual General Shareholders' Meeting Agenda**

Time: 9:00 a.m., Wednesday, June 27, 2012

Place: Science Park Life Hub Rm 203

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

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
  - a. The business of 2011
  - b. Supervisors' review report
  - c. The execution status of endorsement and guarantee
  - d. The investment status in China
  - e. To report on FY 2008, FY 2010 and FY 2011 implementation of rights issue
4. Approval Items
  - a. To accept FY 2011 business report and financial statements
  - b. To approve the proposal for distribution of 2011 profits
5. Discussion Items
  - a. To revise SAS' Articles of Incorporation
  - b. To revise SAS' Acquisition or Disposal Procedure
  - c. To revise SAS' Lending Funds to Other Parties Procedure
  - d. To discuss new share issuance through GDR or local SPO
6. Supplementary Motions
7. Meeting Adjourned

## Report Items

**Item 1** Fiscal 2011 Business Report submitted for review.

Description: Please refer to the Fiscal 2011 Business Report on page 9 of this handbook.

**Item 2** Supervisors Audit Report submitted for review.

Description: Please refer to the Supervisors' Audit Report on page 13 of this handbook.

**Item 3** Endorsement and Guarantee Execution Report

Description: The accumulated amount of endorsement/guarantee for Sino Silicon Technology Inc. and GlobiTech Inc. by the Company are NT\$411,944,000 and NT\$545,220,000 respectively in FY 2011.

**Item 4** Investment Status in China Report

Description: Please refer to the Investment Status Report in China on page 31 of this handbook.

**Item 5** Report on FY 2008 , FY 2010 and FY 2011 implementation of capital increase

Description: (1)Please refer to the details of implementing a 10 million shares capital increase (issuing price -NT\$110 per share) on FY 2008 on page 32 of this handbook.  
(2)Please refer to the details of implementing a 61 million shares capital increase (issuing price -US\$2.9048 per share) on FY 2010 on page 34 of this handbook.  
(3)Please refer to the details of implementing a 20 million shares capital increase (issuing price -NT\$47 per share) on FY 2011 on page 35 of this handbook.

## Approval Items

### Item 1

(Proposed by the Boards of Directors)

Proposal: To accept FY 2011 business report and financial statements

Description:

- (1) SAS' 2011 Standalone and Consolidated Financial Statements were audited by KPMG CPA, Chen, Chien-Chen and Tseng, Mei-Yu, CPA. The aforementioned and FY 2011 business report have been approved by BOD and Supervisors.
- (2) Please refer to the 2011 Business Report and the Financial Statements on page 16 of this handbook.
- (3) Approval requested.

Resolution:

### Item 2

(Proposed by the Boards of Directors)

Proposal: To approve the proposal for 2011 profit distribution

Description:

- (1) In Fiscal Year 2011, the Company made a net profit of NT\$428,706,160. After allocating legal reserve of NT\$42,870,616 and special reserve NT\$604,810,272, employee bonus and director remuneration are not available according to the Article 30 in Article of Incorporation.
- (2) Please refer to the statement of distribution of 2011 retained earnings on page 36 of this handbook.
- (3) When the treasury stock is bought back by the Company or yielded to employees, or common stocks converted by corporate bonds, or new stocks issued due to employee stock option, the payout ratio will be submitted to Annual General Shareholders Meeting to authorize BOD so as to adjust proportionally according to the circulating shares on the ex-dividend record date.
- (4) With approval of Annual General Shareholders Meeting, BOD will be authorized to schedule the record date of ex-dividend and other matters.
- (5) Approval requested.

Resolution:

## Discussion Items

### Item 1

(Proposed by the Boards of Directors)

Proposal: Articles of Incorporation revision, submitted for discussion.

Description:

- (1) A partial amendment to the Articles of Incorporation is proposed in response to the regulation amendment and business needs of the Company.
- (2) Comparison Chart of the Articles of Incorporation please refer to page 37 of this handbook.
- (3) Resolution requested.

Resolution:

### Item 2

(Proposed by the Boards of Directors)

Proposal: Acquisition or Disposal Procedure revision, submitted for discussion.

Description:

- (1) A partial amendment to the Acquisition or Disposal Procedure is proposed in response to the regulation amendment and business needs of the Company.
- (2) Comparison Chart of the Acquisition or Disposal Procedure please refer to page 39 of this handbook.
- (3) Resolution requested.

Resolution:

### Item 3

(Proposed by the Boards of Directors)

Proposal: Procedures for Lending Funds to Other Parties revision, submitted for discussion.

Description:

- (1) A partial amendment to Procedures for Lending Funds to Other Parties is proposed in response to the regulation amendment and business needs of the Company.
- (2) Comparison Chart of Procedures for Lending Funds to Other Parties please refer to page 58 of this handbook.
- (3) Resolution requested.

Resolution:

### Item 4

(Proposed by the Boards of Directors)

Proposal: To issue new shares through GDR or local SPO, submitted for discussion

Description:

(1) In order to fund future needs to increase working capital, purchase overseas 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. After finishing fund raising, the plan will be carried out accordingly, which will enhance competitiveness, refine financial structure, improve operational efficiency and benefit shareholders.

(2) The issuance of new common shares for capital increase in cash:

Pursuant to the Article 28-1 of Securities and Exchange Act, Board of Directors delegates Chairman to choose either book building or public application regarding underwriting and proceed as below:

A. Public Application offering

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 75%-80% of the share issuance will be reserved for preemptive purchase of original shareholders based on the shareholder's name and his/her shares registered in the shareholders roster at the dividend record date.

Shareholders may register to pool fractional shares into one in Security Agency within 5 days since record date, and will be deemed to have abandoned if such period expires. 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.

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.

B. Book Building

The issuing price of new common shares from the cash capital increase may not be lower than 90% 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 aforementioned price should be determined in compliance with related requirements of competent authorities.

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.

(3) The issuance of GDR for the new common shares from cash capital increase.

- A. 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 85%-90% of issuance, based on the Article 28-1 of the Securities and Exchange Act, the board proposes to offer through public application offering for the issuance of GDR.
- B. 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.
  - I. 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. The aforementioned price may adjust when variation occurred in domestic requirements. Since domestic share price may vary excessively within a short period, the Chairman of the Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of international conventions, capital market, domestic share price and overall book building.
  - II. 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 18.41%. The funds raised from the capital increase in cash shall generate sustainable growth in Company's business; reinforce competitiveness,

and surely benefit shareholders. GDR issuing price is determined according to fair value in domestic Over-The-Counter securities market, original shareholders may purchase common stock in domestic market with price close to GDR price, exempting from currency and fluidity risks. There are no huge impact on original 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:

## **Supplementary Motions**

## **Meeting Adjourned**

## Attachment 1

### Sino-American Silicon Products Inc.

#### Fiscal 2011 Business Report

SAS consolidated revenue for 2011 was NT\$17.55 billion. Net income reached NT\$0.43. EPS is NT\$1.02. Renewable energy is the ultimate trend for economical sustention. SAS is optimistic toward solar industry development.

#### A. Operating Performance in 2011

##### 1. Operation Performance

Unit : NTD\$ thousands

Year Item	2011	2010	Change (%)
Operating Revenue	17,549,063	22,528,702	-22.10%
Operating Costs	15,813,764	16,997,889	-6.97%
Gross Profit from Operations	1,735,299	5,530,813	-68.62%
Operating Expenses	980,650	1,266,346	-22.56%
Operating Income	754,649	4,264,467	-82.30%
Income before Income Tax	562,344	4,084,762	-86.23%
Net Income	428,706	3,568,609	-87.99%

2011 is tough for solar industry with limited demand and excessive capacity, resulting in slipping price and shipment, let alone revenue and profit. Semiconductor benefits from broad market in first half year. However, European sovereign-debt crisis casts conservative shade since June, and the industry suffers from recession. Sapphire substrate soars in Q1 with prosperous revenue and shipment, yet is impacted by oversupply and inventory adjustment, price and purchasing order drops radically. Even though the three products of SAS experience global economy reversion, SAS is one of the few solar manufacturers that profited from last year.

##### 2. Budget Implementation : No financial forecast for 2011

##### 3. Profitability Analysis

Item		2011	2010
Capital	Debt ratio (%)	35	38

structure analysis	Long-term funds to fixed assets (%)	321	282
Return on investment analysis	Rate of return on assets (%)	1.6	14.18
	Rate of return on stock equity (%)	2.29	25.21
	Operating income to capital (%)	5.26	91.08
	Income before tax to capital	8.32	101.57
	Net income to sales (%)	2.89	17.77
	Earnings per share (NTD)	1.02	10.5

#### 4. Research & Development Status

##### 1) 2011 Research & Development Expenditure

Unit : NTD\$ thousands

Item /Year	2007	2008	2009	2010	2011
Net Revenue	217,728	337,366	342,847	485,572	381,960
Research and Development Expenses	6,718,348	9,410,626	10,368,336	20,079,873	14,856,313
%	3.24	3.58	3.31	2.42	2.57

##### 2) Research & Development Achievement in 2011

Our technology / product

- (1) Hot zone design of solar multi-crystal growth and simulation of 580 KG
- (2) Low defect density multi-crystal growth of 580 KG
- (3) 9" solar single crystal growth
- (4) 8" solar single crystal growth of Ga-doped
- (5) High efficiency multi-crystal growth (average 17.43%)
- (6) 20" hot zone design and simulation for 8" silicon single crystal growth
- (7) 150-um solar wafers of high efficiency
- (8) High efficiency multi-crystal growth of 600 KG
- (9) Multi-crystal growth recharge
- (10) Sapphire cutting via diamond wires
- (11) U-grade single crystal growth
- (12) E-grade single crystal growth

### 3) Future Plan

SAS solar wafer technology outshines other rivals. Our RD department devotes in exploring ultra-conversion-efficiency application and strategic alliance with downstream system manufacturers to capture commercial initiative. Our core technology dedicates in high-efficiency products to maximize adding value.

Future technology / product

- (1) A4<sup>+</sup> solar multi-crystal growth
- (2) Energy-saving multi-crystal growth
- (3) Multi crystal grower for high efficiency G5<sup>+</sup> of 600KG
- (4) Epitaxial wafer of GaN on Si
- (5) Large sapphire crystal growth by CZ method

### B. 2012 Operation Guideline

#### 1. Guideline

- 1) Strategic alliance for vertical integration so as to increase adding value. Coordinate service for business opportunity.
- 2) Thorough budget minimization; acceleration of collecting receivable accounts; discreet price negotiation with suppliers; severe monitor on inventory to secure fund flow.
- 3) Establish integrating platform to circulate technology and resources within business group. Improve production quality and customer satisfaction.

#### 2. Sales forecast : No financial forecast for 2012

### C. Sales and Production Policy

1. Maximize utilization.
2. Develop highest conversion efficiency multi-crystal wafer and put into mass production so as to provide high-quality materials and maintain competitiveness.
3. Synthesize 4"~12" capacity and technology of seven semiconductor sites located in Taiwan, America, China and Japan, aiming at penetrating into tier 1 companies.
4. Ameliorate large size sapphire crystal availability to decrease production cost of sapphire polish wafer and PSS. Concentrating on nano-patterned sapphire wafers development to achieve superiority over competitors.

To enhance competitiveness and operating performance, SAS restructures three business units

(semiconductor, solar, sapphire) on October 1, 2011; sapphire business is carved out to Sino Sapphire Co., Ltd. and semiconductor business to GlobalWafers Co., Ltd. Besides, to empower industrial competency, SAS acquires the silicon wafer business departments of Covalent Materials Corporation, which are Covalent Silicon Corporation and its subsidiary, Covalent Materials Sekikawa Corporation. The acquisition takes effect on April 1, 2012. For the future, SAS shall elevate operating performance via strategic alliance and reinvestment; aggressive yet cautious for industrial prominence, and augment business scale holding the principle of aggrandizing shareholder benefits. We believe with the restless effort among management team and whole staff, we will once again create excellent revenue and profit and share the fruit with all shareholders.

Chairman	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 2011 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 : \_\_\_\_\_  
Kuo-chow Chen

Supervisor : \_\_\_\_\_  
Su-Mei Yang

Supervisor : \_\_\_\_\_  
Kun Chang Investment Co.  
Representative: May-Yuan Chang

April 24, 2012

## **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. (the "Company") as of December 31, 2011 and 2010, 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 equity-method investees, Sunrise Global Solar Energy Corporation and GlobiTech Incorporated, for the years ended December 31, 2011 and 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 Sunrise Global Solar Energy Corporation and GlobiTech Incorporated, is based solely on the reports of the other auditors. The related long-term investment balances of NT\$3,934,669 thousand and NT\$3,522,960 thousand, (14% and 12% of total assets) as of December 31, 2011 and 2010, respectively, and the investment income amounting to NT\$250,007 thousand and NT\$441,293 thousand, (67% and 11% of income before income taxes) for the years ended December 31, 2011 and 2010, respectively, are based solely on the reports of the other independent auditors.

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



that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Sino-American Silicon Products Inc. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with the requirements of the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

We have also audited the consolidated financial statements of and Sino-American Silicon Products Inc. and subsidiaries as of and for the years ended December 31, 2011 and 2010, and have expressed an unqualified opinion with explanatory paragraph on such financial statements.

KPMG

Hsinchu, Taiwan (the Republic of China)

March 22, 2012

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

## Attachment 4      2011 Financial Statements

### SINO-AMERICAN SILICON PRODUCTS INC.

#### Balance Sheets

December 31, 2011 and 2010

(Expressed in thousands of New Taiwan dollars)

<b>Assets</b>	<b>2011</b>	<b>2010</b>
<b>Current assets:</b>		
Cash	\$ 2,405,021	6,206,538
Financial Assets at fair value through profit or loss	43,922	-
Notes and accounts receivable, net	358,735	1,793,127
Accounts receivable from related parties	270,747	787,216
Loan to related parties	233,820	-
Other financial assets – current	2,402	3,592
Inventories, net	635,537	1,696,742
Prepayments for materials	1,105,123	1,039,014
Deferred income tax assets – current	10,061	66,155
Other current assets	<u>135,888</u>	<u>300,716</u>
	<u>5,201,256</u>	<u>11,893,100</u>
<b>Long-term investments:</b>		
Equity-method investments	11,705,708	4,964,419
Available-for-sale financial assets – non-current	1,054,168	381,019
Financial assets carried at cost – non-current	583,595	1,481,649
Other financial assets – non-current	2,194	2,844
Prepayments for long-term investment in stock	<u>-</u>	<u>9,000</u>
	<u>13,345,665</u>	<u>6,838,931</u>
<b>Property, plant and equipment:</b>		
Buildings and improvements	2,406,402	2,634,940
Machinery and equipment	5,697,082	6,256,177
Other equipment	<u>890,334</u>	<u>975,135</u>
	8,993,818	9,866,252
Less: accumulated depreciation	(3,223,711)	(3,160,134)
Prepayments for equipment and construction in progress	<u>480,654</u>	<u>667,332</u>
	<u>6,250,761</u>	<u>7,373,450</u>
<b>Other assets:</b>		
Deferred charges and others	3,878	7,900
Deferred income tax assets – non-current	84,519	-
Long-term prepayments for materials	3,343,369	4,083,405
Long-term account receivable from related parties	<u>766,183</u>	<u>-</u>
	<u>4,197,949</u>	<u>4,091,305</u>
<b>Total Assets</b>	<b>\$ <u>28,995,631</u></b>	<b><u>30,196,786</u></b>

**SINO-AMERICAN SILICON PRODUCTS INC.**

**Balance Sheets (continued)**

**December 31, 2011 and 2010**

**(Expressed in thousands of New Taiwan dollars)**

<b>Liabilities and Stockholders' Equity</b>	<b>2011</b>	<b>2010</b>
<b>Current liabilities:</b>		
Short-term borrowings	\$ 100,000	-
Notes and accounts payable	479,143	1,490,202
Payable to related parties	30,919	141,119
Payroll and bonus payable	136,323	729,605
Other payable to related parties	1,299,402	-
Current portion of received in advance for sales	1,132,407	751,110
Current portion of long-term loans payable	1,995,000	1,376,000
Accrued expenses and other current liabilities	<u>133,414</u>	<u>839,593</u>
	<u>5,306,608</u>	<u>5,327,629</u>
<b>Long-term liabilities:</b>		
Long-term loans payable	<u>1,100,000</u>	<u>2,393,000</u>
<b>Other liabilities:</b>		
Other liabilities – other	23,633	69,912
Deferred income tax liabilities – non-current	-	183,645
Revenue received in advance for sales – non-current	<u>3,572,582</u>	<u>3,795,316</u>
	<u>3,596,215</u>	<u>4,048,873</u>
<b>Total liabilities</b>	<u>10,002,823</u>	<u>11,769,502</u>
<b>Stockholders' equity:</b>		
Common stock	<u>4,431,191</u>	<u>3,820,256</u>
Capital surplus	<u>12,141,389</u>	<u>9,574,891</u>
Retained earnings:		
Legal reserve	944,846	587,985
Unappropriated earnings	<u>2,080,192</u>	<u>4,220,074</u>
	<u>3,025,038</u>	<u>4,808,059</u>
Other stockholders' equity:		
Foreign currency translation adjustments	161,317	(106,758)
Unrecognized pension cost	(51)	(21,178)
Unrealized gain (loss) on available-for-sale financial assets	<u>(766,076)</u>	<u>352,014</u>
	<u>(604,810)</u>	<u>224,078</u>
<b>Total stockholders' equity</b>	<u>18,992,808</u>	<u>18,427,284</u>
<b>Commitments and contingencies</b>		
<b>Total Liabilities and Stockholders' Equity</b>	<u><u>\$ 28,995,631</u></u>	<u><u>30,196,786</u></u>

**SINO-AMERICAN SILICON PRODUCTS INC.**

**Statements of Income**

**Years ended December 31, 2011 and 2010**

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

	<u><b>2011</b></u>	<u><b>2010</b></u>
<b>Revenue</b>	\$ 14,738,464	19,981,080
Less: sales returns and allowance	<u>129,892</u>	<u>40,671</u>
	14,608,572	19,940,409
Processing revenue and others	<u>247,741</u>	<u>139,464</u>
<b>Net revenue</b>	14,856,313	20,079,873
<b>Cost of goods sold</b>	<u>14,027,109</u>	<u>15,685,383</u>
<b>Gross profit</b>	<u>829,204</u>	<u>4,394,490</u>
<b>Operating expenses:</b>		
Selling	58,582	96,945
General and administrative	155,704	332,294
Research and development	<u>381,960</u>	<u>485,572</u>
	596,246	914,811
<b>Operating income</b>	<u>232,958</u>	<u>3,479,679</u>
<b>Non-operating income and gains:</b>		
Interest income	15,421	8,310
Investment income recognized by equity method	-	662,634
Dividend income	10,947	10,052
Government grants	23,211	10,576
Gain on disposal of the investment	6,979	9,534
Foreign exchange gain, net	42,278	-
Gain on revaluation of financial asset	43,922	-
Other income	<u>52,476</u>	<u>50,815</u>
	195,234	751,921
<b>Non-operating expenses and losses:</b>		
Interest expense	55,660	68,911
Investment loss recognized by equity method	3,724	-
Foreign exchange loss, net	-	140,767
Impairment loss on financial assets	<u>-</u>	<u>141,697</u>
	59,384	351,375
<b>Income before income taxes</b>	368,808	3,880,225
<b>Income tax benefit (expenses)</b>	<u>59,898</u>	<u>(311,616)</u>
<b>Net income</b>	<u><u>\$ 428,706</u></u>	<u><u>3,568,609</u></u>
	<u><b>Before Tax</b></u>	<u><b>After Tax</b></u>
<b>Earnings per share (in dollars)</b>		
Basic earnings per share	\$ <u><u>0.88</u></u>	<u><u>1.02</u></u>
Basic earnings per share – retroactively adjusted		<u><u>11.42</u></u>
Diluted earnings per share	\$ <u><u>0.87</u></u>	<u><u>1.01</u></u>
Diluted earnings per share – retroactively adjusted		<u><u>10.88</u></u>
		<u><u>11.24</u></u>
		<u><u>10.70</u></u>
		<u><u>9.85</u></u>

**SINO-AMERICAN SILICON PRODUCTS INC.**  
**Statements of Changes in Stockholders' Equity**  
**Years ended December 31, 2011 and 2010**  
**(Expressed in thousands of New Taiwan dollars)**

				<u>Retained earnings</u>				Unrealized gain (loss) on available-for-sa le financial assets	
	<u>Common stock</u>	<u>Advance receipts for common stock</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Unappro- priated earnings</u>	<u>Foreign currency translation adjustments</u>	<u>Unrecognized pension cost</u>		<u>Total</u>
<b>Balance at January 1, 2010</b>	\$ 2,994,413	508	4,592,617	540,429	1,209,302	179,760	(16,049)	381,076	9,882,056
<b>Appropriation of earnings:</b>									
Legal reserve	-	-	-	47,556	(47,556)	-	-	-	-
Stock dividends	209,738	-	-	-	(209,738)	-	-	-	-
Cash dividends	-	-	-	-	(299,627)	-	-	-	(299,627)
Issuance of global depository receipts	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
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(29,062)	(29,062)
Foreign currency translation adjustments	-	-	-	-	-	(286,518)	-	-	(286,518)
Adjustment arising from changes in percentage of ownerships in equity-method investees	-	-	-	-	(916)	-	-	-	(916)
Pension adjustment - unrecognized pension cost	-	-	-	-	-	-	(5,129)	-	(5,129)
Net income for 2010	-	-	-	-	<u>3,568,609</u>	-	-	-	<u>3,568,609</u>
<b>Balance at January 1, 2010</b>	3,820,256	-	9,574,891	587,985	4,220,074	(106,758)	(21,178)	352,014	18,427,284
<b>Appropriation of earnings:</b>									
Legal reserve	-	-	-	356,861	(356,861)	-	-	-	-
Stock dividends	201,066	-	-	-	(201,066)	-	-	-	-
Cash dividends	-	-	-	-	(2,010,661)	-	-	-	(2,010,661)
Issuance of common stock for cash	200,000	-	740,000	-	-	-	-	-	940,000
Stock dividends to employees as bonus	8,803	-	61,197	-	-	-	-	-	70,000
Issuance of common stock to acquire available-for-sale financial assets	201,066	-	1,650,826	-	-	-	-	-	1,851,892
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(1,118,090)	(1,118,090)
Compensation cost arising from employee subscription and from issuance of common stock in cash	-	-	43,698	-	-	-	-	-	43,698
Foreign currency translation adjustments	-	-	-	-	-	268,075	-	-	268,075
Adjustment arising from changes in percentage of ownerships in equity-method investees	-	-	70,777	-	-	-	-	-	70,777
Pension adjustment - unrecognized pension cost	-	-	-	-	-	-	21,127	-	21,127
Net income for 2011	-	-	-	-	<u>428,706</u>	-	-	-	<u>428,706</u>
<b>Balance at December 31, 2011</b>	\$ <u><b>4431,191</b></u>	<u>-</u>	<u><b>12,141,389</b></u>	<u><b>944,846</b></u>	<u><b>2,080,192</b></u>	<u><b>161,317</b></u>	<u><b>(51)</b></u>	<u><b>(766,076)</b></u>	<u><b>18,992,808</b></u>

Note 1 : Directors' and supervisors' remuneration and employee bonuses amounting \$12,274 thousand and \$92,054 thousand, respectively were excluded from net income for 2009.

Note 2 : Directors' and supervisors' remuneration and employee bonuses amounting \$53,012 thousand and \$397,590 thousand, respectively were excluded from net income for 2010.

**SINO-AMERICAN SILICON PRODUCTS INC.**

**Statements of Cash Flows**

**Years ended December 31, 2011 and 2010**  
**(Expressed in thousands of New Taiwan dollars)**

	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities:</b>		
Net income	\$ 428,706	3,568,609
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	1,373,907	1,106,990
Amortization	88	176
Provision for (reversal of) allowance for doubtful accounts	5,857	(36,785)
Provision for inventory obsolescence and devaluation loss	33,599	21,459
Investment loss (income) recognized by equity method	3,724	(662,634)
Cash dividends received from equity- method investees	9,540	115
Cash dividends received from available-for-sale financial assets	76,419	-
Loss on disposal of property, plant and equipments	(239)	15
Compensation cost arising from employee subscription and from issuance of common stock in cash	43,698	-
Gain on disposal of the equity-method investment	(6,979)	(9,534)
Impairment loss on the financial assets	-	141,697
Unrealized gain on valuation of financial assets	(43,922)	-
Expense with no effect on cash flow	223,356	(220,836)
Change in operating assets and liabilities:		
Notes and accounts receivable	723,741	(86,816)
Notes and accounts receivable from related parties	(1,916,965)	(502,652)
Inventories	577,238	(709,856)
Prepayments for materials	(214,277)	162,606
Other financial assets – current	1,190	8,421
Deferred income tax assets -net	(206,505)	(3,082)
Other operation-related assets	(65,361)	119,557
Notes and accounts payable	(934,880)	283,068
Payable to related parties	(110,200)	(326,980)
Other payable	1,372,810	-
Revenue received in advance	158,563	(248,704)
Accrued pension liabilities	2,066	(1,017)
Deferred credits	(25,804)	33,322
Other operation-related liabilities	(794,788)	917,295
<b>Net cash provided by operating activities</b>	<u>714,582</u>	<u>3,554,434</u>
<b>Cash flows from investing activities:</b>		
(Acquisitions of ) proceeds from disposal of available-for-sale financial assets	(15,767)	10,215
Increase in equity-method investments	(837,000)	(891,676)
Acquisition of financial assets carried at cost	(579,660)	(26,096)
Proceeds from disposal of equity-method investments	14,436	-
Acquisition of property, plant and equipments	(1,508,098)	(2,578,442)
Proceeds from disposal of property, plant and equipments	54,001	676
(Increase) decrease in refundable deposits	650	(740)
Increase in restricted assets	-	(195)
Decrease in deferred charges	-	2,255
<b>Net cash used in investing activities</b>	<u>(2,871,438)</u>	<u>(3,484,003)</u>

**SINO-AMERICAN SILICON PRODUCTS INC.**

**Statements of Cash Flows (continued)**

**Years ended December 31, 2011 and 2010**  
**(Expressed in thousands of New Taiwan dollars)**

	<u><b>2011</b></u>	<u><b>2010</b></u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	100,000	(648,665)
Increase in long-term loans payable	680,000	860,000
Repayment of long-term loans payable	(1,354,000)	(221,000)
Payments of cash dividends	(2,010,661)	(299,627)
Proceed from capital increase	940,000	5,568,757
Proceeds from issuance of stock for employee stock options exercised	-	2,114
<b>Net cash provided by ( used in) financing activities</b>	<u><b>(1,644,661)</b></u>	<u><b>5,261,579</b></u>
<b>Net increase (decrease) in cash</b>	(3,801,517)	5,332,010
<b>Cash at beginning of year</b>	<u>6,206,538</u>	<u>874,528</u>
<b>Cash at end of year</b>	<u><b>\$ 2,405,021</b></u>	<u><b>6,206,538</b></u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash payments of interest (excluding interest capitalized)	<u><b>\$ 56,639</b></u>	<u><b>65,886</b></u>
Cash payments of income taxes	<u><b>\$ 475,165</b></u>	<u><b>1,317</b></u>
<b>Non-cash investing and financing activities:</b>		
Issuance of common stock to acquire available-for-sale financial asset	<u><b>\$ 1,851,892</b></u>	<u>-</u>
Current portion of long-term loans payable	<u><b>\$ 1,995,000</b></u>	<u><b>1,376,000</b></u>
Bonuses to employees – stock	<u><b>\$ 70,000</b></u>	<u><b>27,000</b></u>
Reclassification of financial assets carried at cost to long-term accounts receivable for related parties and equity-method investments	<u><b>1,477,714</b></u>	<u>-</u>
<b>Acquisition of property, plant and equipment:</b>		
Increase in property, plant and equipment	\$ 1,156,210	2,683,801
Changes in payables for equipment	<u>351,888</u>	<u>(105,359)</u>
	<u><b>\$ 1,508,098</b></u>	<u><b>2,578,442</b></u>

**SINO-AMERICAN SILICON PRODUCTS INC.**

**STATEMENTS OF CASH FLOWS (continued)**

**Years ended December 31, 2011 and 2010**  
**(Expressed in thousands of New Taiwan dollars)**

	<u><b>2011</b></u>	<u><b>2010</b></u>
<b>Assets and liabilities spin-off to Global Wafers, Sino Sapphire and Acquisition of equity-method investments</b>		
Notes and accounts receivables	\$ 704,794	-
Other receivables – related parties	2,154,337	-
Inventories	450,368	-
Payment of materials	888,204	-
Deferred income tax assets – current	1,457	-
Other current assets	9353	-
Long-term investments	3,952,393	-
Buildings and improvements	75,868	-
Machinery and equipment	672,481	-
Prepayment for equipment and construction in progress	51,982	-
Leasehold improvements	50,899	-
Deferred pension costs	26,538	-
Accounts payables	(76,179)	-
Accrued expenses and other current liabilities	(98,428)	-
Accrued pension liabilities	(26,538)	-
Deferred income tax liabilities	(75,195)	-
Foreign currency translation adjustment	(232,334)	-
Net assets	\$ <u><b>8,530,000</b></u>	<u><b>-</b></u>



## **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 (the "Company") as of December 31, 2011 and 2010, 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 and an equity method investee, Sunrise Global Solar Energy Corporation for the years ended December 31, 2011 and 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 Corporation, is based solely on the reports of the other auditors. The total assets of GlobiTech Incorporated were NT\$3,040,610 thousand and NT\$2,442,969 thousand (10% and 8% of consolidated total assets) as of December 31, 2011 and 2010, respectively, and its total revenue was NT\$2,331,660 thousand and NT\$2,306,868 thousand (13% and 10% of consolidated total revenue) for the years ended December 31, 2011 and 2010, respectively. The related long-term investment balances of NT\$1,011,786 thousand and NT\$1,061,409 thousand, as of December 31, 2011 and 2010, respectively, and the investment loss amounting to NT\$103,405 thousand in 2011 and investment income amounting to NT\$79,764 thousand in 2010 are based solely on the reports of the other independent auditors.

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

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sino-American Silicon Products Inc. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with the requirements of the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

KPMG

Hsinchu, Taiwan (the Republic of China)

March 22, 2012

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

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

**Consolidated Balance Sheets**

**December 31, 2011 and 2010**

**(Expressed in thousands of New Taiwan dollars)**

<b>Assets</b>	<b>2011</b>	<b>2010</b>
<b>Current assets:</b>		
Cash	\$ 4,532,226	7,070,626
Financial assets at fair value through profit or loss		-
	43,922	
Notes and accounts receivable, net	1,204,256	2,356,811
Accounts receivable from related parties	98,099	299,681
Other financial assets – current	14,237	25,106
Inventories, net	1,335,313	1,986,145
Prepayments for materials	1,335,910	1,055,944
Deferred income tax assets – current	9,736	66,155
Other current assets	<u>208,368</u>	<u>314,959</u>
	<u>8,782,067</u>	<u>13,175,427</u>
<b>Long-term investments:</b>		
Equity-method investments	1,839,581	1,061,409
Available-for-sale financial assets – non-current	1,054,168	381,019
Financial assets carried at cost – non-current	1,904,118	1,481,649
Other financial assets – non-current	19,590	4,542
Prepayments for long-term investment in stocks	<u>-</u>	<u>9,000</u>
	<u>4,817,457</u>	<u>2,937,619</u>
<b>Property, plant and equipment :</b>		
Land	24,232	23,304
Buildings and improvements	4,691,409	4,129,309
Machinery and equipment	10,316,590	8,271,654
Other equipment	<u>1,509,353</u>	<u>1,352,339</u>
	16,541,584	13,776,606
Less: accumulated depreciation	(6,157,153)	(4,661,632)
Prepayments for equipment and construction in progress	<u>754,762</u>	<u>975,793</u>
	<u>11,139,193</u>	<u>10,090,767</u>
<b>Intangible assets :</b>		
Goodwill	647,385	622,593
Land use rights	<u>9,759</u>	<u>9,102</u>
	<u>657,144</u>	<u>631,695</u>
<b>Other assets:</b>		
Deferred charges and other assets	27,561	11,689
Long-term prepayments for materials	<u>4,003,448</u>	<u>4,083,405</u>
	<u>4,031,009</u>	<u>4,095,094</u>
<b>Total Assets</b>	<b>\$ <u>29,426,870</u></b>	<b><u>30,930,602</u></b>

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

**Consolidated Balance Sheets (continued)**

**December 31, 2011 and 2010**

**(Expressed in thousands of New Taiwan dollars)**

<b>Liabilities and Stockholders' Equity</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Current liabilities:</b>		
Short-term borrowings	\$ 1,020,694	221,769
Notes and accounts payable	600,770	1,734,724
Payroll and bonus payable	225,562	774,436
Current portion of revenue received in advance for sales	1,232,513	973,989
Current portion of long-term loans payable	1,995,000	1,376,000
Accrued expenses and other current liabilities	<u>470,778</u>	<u>930,163</u>
	<u>5,545,317</u>	<u>6,011,081</u>
<b>Long-term liabilities:</b>		
Long-term loans payable	<u>1,100,000</u>	<u>2,393,000</u>
<b>Other liabilities:</b>		
Other liabilities – other	62,345	43,611
Deferred income tax liabilities – non-current	153,818	260,310
Revenue received in advance for sales – non-current	<u>3,572,582</u>	<u>3,795,316</u>
	<u>3,788,745</u>	<u>4,099,237</u>
<b>Total liabilities</b>	<u>10,434,062</u>	<u>12,503,318</u>
<b>Stockholders' equity :</b>		
Common stock	<u>4,431,191</u>	<u>3,820,256</u>
Capital surplus	<u>12,141,389</u>	<u>9,574,891</u>
Retained earnings:		
Legal reserve	944,846	587,985
Unappropriated earnings	<u>2,080,192</u>	<u>4,220,074</u>
	<u>3,025,038</u>	<u>4,808,059</u>
Other stockholders' equity:		
Foreign currency translation adjustment	161,317	(106,758)
Unrecognized pension cost	(51)	(21,178)
Unrealized gain (loss) on available-for-sale financial assets	<u>(766,076)</u>	<u>352,014</u>
	<u>(604,810)</u>	<u>224,078</u>
<b>Total stockholders' equity</b>	<u>18,992,808</u>	<u>18,427,284</u>
<b>Commitments and contingencies</b>		
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ <u>29,426,870</u></b>	<b><u>30,930,602</u></b>

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

**Consolidated Statements of Income**

**Years ended December 31, 2011 and 2010**

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

	<u><b>2011</b></u>	<u><b>2010</b></u>
<b>Revenue</b>	\$ 17,648,921	22,565,391
Less: sales returns and allowances	<u>131,684</u>	<u>45,875</u>
	17,517,237	22,519,516
Processing revenue and others	<u>31,826</u>	<u>9,186</u>
<b>Net revenue</b>	17,549,063	22,528,702
<b>Cost of goods sold</b>	<u>15,813,764</u>	<u>16,997,889</u>
<b>Gross profit</b>	<u>1,735,299</u>	<u>5,530,813</u>
<b>Operating expenses:</b>		
Selling	121,685	156,263
General and administrative	308,419	490,414
Research and development	<u>550,546</u>	<u>619,669</u>
	<u>980,650</u>	<u>1,266,346</u>
<b>Operating income</b>	<u>754,649</u>	<u>4,264,467</u>
<b>Non-operating income and gains:</b>		
Interest income	34,189	8,559
Investment income recognized by equity method	-	79,764
Dividend income	10,947	10,052
Government grants	23,211	10,576
Gain on disposal of investments	6,979	9,534
Foreign exchange gain, net	77,732	-
Unrealized gain on valuation of financial assets	43,922	-
Other income	<u>51,084</u>	<u>59,980</u>
	<u>248,064</u>	<u>178,465</u>
<b>Non-operating expenses and losses:</b>		
Interest expense	68,760	74,714
Investment loss recognized by equity method	-	-
	121,609	-
Foreign exchange loss, net	-	141,759
Impairment loss on financial assets	<u>250,000</u>	<u>141,697</u>
	<u>440,369</u>	<u>358,170</u>
<b>Income before income taxes</b>	562,344	4,084,762
<b>Income tax expenses</b>	<u>133,638</u>	<u>516,153</u>
<b>Net income</b>	\$ <u><u>428,706</u></u>	<u><u>3,568,609</u></u>
	<u><b>Before Tax</b></u>	<u><b>After Tax</b></u>
<b>Earnings per share (in dollars)</b>		
Basic earnings per share	\$ <u><u>0.88</u></u>	<u><u>1.02</u></u>
Basic earnings per share – retroactively adjusted	<u><u>11.42</u></u>	<u><u>10.50</u></u>
Diluted earnings per share	<u><u>10.88</u></u>	<u><u>10.50</u></u>
Diluted earnings per share – retroactively adjusted	\$ <u><u>0.87</u></u>	<u><u>1.01</u></u>
	<u><u>11.24</u></u>	<u><u>10.34</u></u>
	<u><u>10.70</u></u>	<u><u>9.85</u></u>

**SINO-AMERICAN SILICON PRODUCTS INC. AND SU BSI DIARIES**  
**Consolidated Statements of Changes in Stockholders' Equity**  
**Years ended December 31, 2011 and 2010**  
**(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 adjustments</u>	<u>Unrecognized pension cost</u>	<u>Unrealized gain (loss) on available-for-sale financial assets</u>	<u>Total</u>
<b>Balance at January 1, 2010</b>	\$ 2,994,413	508	4,592,617	540,429	1,209,302	179,760	(16,049)	381,076	9,882,056
<b>Appropriation of earnings:</b>									
Legal reserve	-	-	-	47,556	(47,556)	-	-	-	-
Stock dividends	209,738	-	-	-	(209,738)	-	-	-	-
Cash dividends	-	-	-	-	(299,627)	-	-	-	(299,627)
Issuance of global depository receipts	610,000	-	4,958,757	-	-	-	-	-	5,568,757
Stock dividends to employees as bonus	4,255	-	22,745	-	-	-	-	-	27,000
Issuance of stock for exercised employee stock options	1,850	(508)	772	-	-	-	-	-	2,114
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(29,062)	(29,062)
Foreign currency translation adjustments	-	-	-	-	-	(286,518)	-	-	(286,518)
Adjustment arising from changes in percentage of ownership in equity-method investees	-	-	-	-	(916)	-	-	-	(916)
Pension adjustment - unrecognized pension cost	-	-	-	-	-	-	(5,129)	-	(5,129)
Net income for 2010	-	-	-	-	3,568,609	-	-	-	3,568,609
<b>Balance at December 31, 2010</b>	<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>
<b>Appropriation of earnings:</b>									
Legal reserve	-	-	-	356,861	(356,861)	-	-	-	-
Stock dividends	201,066	-	-	-	(201,066)	-	-	-	-
Cash dividends	-	-	-	-	(2,010,661)	-	-	-	(2,010,661)
Issuance of common stock for cash	200,000	-	740,000	-	-	-	-	-	940,000
Stock dividends to employees as bonus	8,803	-	61,197	-	-	-	-	-	70,000
Issuance of common stock to acquire available-for-sale financial assets	201,066	-	1,650,826	-	-	-	-	-	1,851,892
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(1,118,090)	(1,118,090)
Compensation cost arising from employee subscription and from issuance of common stock in cash	-	-	43,698	-	-	-	-	-	43,698
Foreign currency translation adjustments	-	-	-	-	-	268,075	-	-	268,075
Adjustment arising from changes in percentage of ownership in equity-method investees	-	-	70,777	-	-	-	-	-	70,777
Pension adjustment - unrecognized pension cost	-	-	-	-	-	-	21,127	-	21,127
Net income for 2011	-	-	-	-	428,706	-	-	-	428,706
<b>Balance at December 31, 2011</b>	<u>\$ 4,431,191</u>	<u>-</u>	<u>12,141,389</u>	<u>944,846</u>	<u>2,080,192</u>	<u>161,317</u>	<u>(51)</u>	<u>(766,076)</u>	<u>18,992,808</u>

Note 1: Directors' and supervisors' remuneration and employee bonuses amounting \$12,274 thousand and \$92,054 thousand, respectively, were excluded from net income for 2009.

Note 2: Directors' and supervisors' remuneration and employee bonuses amounting \$53,012 thousand and \$397,590 thousand, respectively, were excluded from net income for 2010.

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

**Consolidated Statements of Cash Flows**

**Years ended December 31, 2011 and 2010**  
**(Expressed in thousands of New Taiwan dollars)**

	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities:</b>		
Net income	\$ 428,706	3,568,609
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,767,848	1,421,726
Provision for (reversal of) allowance for doubtful accounts	5,350	(35,110)
Provision for inventory obsolescence and devaluation loss	49,633	20,735
Investment loss (income) recognized by equity method	121,609	(79,764)
Cash dividends received from the equity investees	9,540	115
Cash dividends received from available-for-sale financial assets	76,419	-
Loss on disposal of property, plan and equipments	133	6,571
Compensation cost arising from employee subscription and from issuance of common stock in cash	43,698	-
Gain on disposal of equity-method investment	(6,979)	(9,534)
Impairment loss on financial assets	250,000	141,697
Unrealized gain on valuation of financial assets	(43,922)	-
Expense with no effect on cash flow	223,356	(220,836)
Change in operating assets and liabilities:		
Notes and accounts receivable	1,182,056	(159,692)
Notes and accounts receivable from related parties	201,582	(195,636)
Inventories	621,377	(706,955)
Prepayments for materials	(200,009)	156,019
Other financial assets – current	10,869	(11,620)
Deferred income tax assets	(129,300)	80,164
Other operation-related assets	(114,245)	140,799
Notes and accounts payable	(1,133,954)	326,129
Revenue received in advance	35,790	(248,748)
Accrued pension liabilities	3,069	(1,017)
Deferred credits	4,589	-
Other operation-related liabilities	(653,603)	1,141,434
<b>Net cash provided by operating activities</b>	<u>2,753,612</u>	<u>5,335,086</u>
<b>Cash flows from investing activities:</b>		
(Acquisition of )proceeds from disposal of available-for-sale financial assets – non-current	(15,767)	10,215
Increase in equity-method investment	(837,000)	(891,676)
Acquisition of financial assets carried at cost	(579,660)	(26,096)
Proceeds from disposal of equity-method investments	14,436	-
Acquisition of property, plant and equipment	(3,045,570)	(3,556,243)
Proceeds from disposal of property and equipments	84,458	42,568
Decrease (increase) in deposits-out	(5,301)	100
Increase in restricted assets	(9,747)	(195)
Decrease (increase) in deferred charges	(7,170)	14,499
<b>Net cash used in investing activities</b>	<u>(4,401,321)</u>	<u>(4,406,828)</u>

**(Continued)**

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

**Consolidated Statements of Cash Flows (continued)**

**Years ended December 31, 2011 and 2010**  
**(Expressed in thousands of New Taiwan dollars)**

	<u><b>2011</b></u>	<u><b>2010</b></u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	798,925	(811,277)
Increase in long-term loans payable	680,000	860,000
Repayment of long-term loans	(1,354,000)	(221,000)
Payments of cash dividends	(2,010,661)	(299,627)
Proceeds from capital increase	940,000	5,568,757
Proceeds from issuance of stock for employee stock options exercised	-	2,114
<b>Net cash provided by (used in) financing activities</b>	<u><b>(945,736)</b></u>	<u><b>5,098,967</b></u>
<b>Effect of exchange rate changes on cash</b>	<u><b>55,045</b></u>	<u><b>70,082</b></u>
<b>Net increase (decrease) in cash</b>	<u><b>(2,538,400)</b></u>	<u><b>6,097,307</b></u>
<b>Cash at beginning of year</b>	<u><b>7,070,626</b></u>	<u><b>973,319</b></u>
<b>Cash at end of year</b>	<u><b>\$ 4,532,226</b></u>	<u><b>\$ 7,070,626</b></u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash payments of interest (excluding interest capitalized)	<u><b>\$ 69,456</b></u>	<u><b>71,372</b></u>
Cash payments of income taxes	<u><b>\$ 549,624</b></u>	<u><b>77,667</b></u>
<b>Non-cash investing and financing activities:</b>		
Issuance of common stock to acquire available-for-sale financial assets	<u><b>\$ 1,851,892</b></u>	<u><b>-</b></u>
Current portion of long-term loans payable	<u><b>\$ 1,995,000</b></u>	<u><b>1,376,000</b></u>
Bonuses to employees – stock	<u><b>\$ 70,000</b></u>	<u><b>27,000</b></u>
<b>Acquisition of property, plant and equipment:</b>		
Increase in property, plant and equipment	\$ 2,775,715	3,662,745
Changes in payables for equipment	<u>269,855</u>	<u>(106,502)</u>
	<u><b>\$ 3,045,570</b></u>	<u><b>\$ 3,556,243</b></u>



## Attachment 5

### Information of Investment in Mainland China

Unit: NT\$thousands

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, 2011	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2011	Percentage of Ownership in Investment	Investment Gain(Loss) (Note 2)	Carrying Value as of December 31, 2011	Accumulated Inward Remittance of Earnings as of December 31, 2011
					Outflow	Inflow					
Kunshan Sino silicon Technology Co., Ltd	Silicon ingot Silicon wafers	769,177 (Note5)	(Note 1)	713,300	-	-	713,300	100%	(2,938)	1,001,695	-

Accumulated Investment in Mainland China as of December 31, 2011	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
713,300 (USD 21,729,000)(Note 3)	818,233 (USD25,000,000)(Note 3)	11,395,685(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 amount is calculated with the investment limit, 60%, of The Governing Permission of Commercial Behavior in Mainland China released by Investment Commission, and multiplied by the Company net worth as of December, 31, 2011.

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. Approval date and 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\$2,500,000,000
3. Sources of funding:
  - (1) Issuance of 10,000,000 common shares via cash capital increase, issuing price as NTD\$110, raising NT\$1,100,000,000
  - (2) Other: NT\$1,400,000,000 paid by own capital or bank loans.

Unit: NT\$thousands

Plan	Estimated Target Schedule	Total Amount	Status of Projected Use of Capital			
			2008		2009	
			Q3	Q4	Q1	Q2
To build 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 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\$1,100,000,000 raised fund and own capital of NTD\$1,400,000,000 were projected to build plants. The plan is projected at NT\$2,500,000,000. As of March 31, 2012, actual amount is NT\$2,493,371,000.

### III. The reasonableness for reserve balance

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

## 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, 2011 Chin-Kuan Cheng one Tze No.0990041383 issued by the relevant regulatory authority.
- 2 Total amount : NT\$5,673,182,000
- 3 Sources of funding:  
GDR issuance of 61,000,000 common shares via cash capital increase, issuing price as US\$2.9048, raising US\$174,931,000(NT\$5,673,182,000) after deducting US\$2,262,000 as issuing cost.
- 4 Plan schedule

Unit: thousands

Plan	Estimated Target Schedule	Total Amount		Status of Projected Use of Capital			
				2010	2011		
				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	1,418,296	1,418,296	1,418,296

Note: Foreign exchange rate is calculated based on case occurrence rate.

#### 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 2011 issuance of GDR for the new common shares from cash capital increase was implemented on September 8, 2010. A total amount of USD\$174,931,000 (NT\$5,673,182,000) raised fund was projected to purchase raw materials overseas. The plan is projected at NT\$2,836,590,000. As of March 31, 2011, actual amount is NT\$4,939,906,000.

#### III. The reasonableness for reserve balance

The plan is projected at NT\$5,673,182,000. As of March 31, 2011, actual amount is NT\$4,939,906,000, reserve amount is NT\$640,393,000, which is kept in the Appointed Account and Time Deposit Account, with little risk and stable award. It is reasonable for reserve balance of the project.

## FY 2011 Implementation of Rights Issue report

### FY 2011 Implementation of Rights issue

#### I. Description

1. Approval date and documents No.: in accordance with the letter of August 2, 2011 Chin-Kuan Cheng one Tze No.1000032816 issued by the relevant regulatory authority.
2. Total amount: NT\$940,000,000
3. Sources of funding:
  - (1) Issuance of 20,000,000 common shares via cash capital increase, issuing price as NTD\$47, raising NT\$940,000,000
  - (2) Other: NT\$1,400,000,000 paid by own capital or bank loans.

Unit: NT\$thousands

Plan	Estimated Target Schedule	Total Amount	Status of Projected Use of Capital			
			2011	2012		
			Q3	Q1	Q2	Q3
Bank Loan payment	Q3 2012	940,000	197,500	497,500	125,000	120,000
Total		940,000	197,500	497,500	125,000	120,000

#### II. Implementation

Unit: NT\$thousands

Plan	Status		Total Amount as of 03/31/2012	Reasons of project ahead or delayed and the improvement plan
Bank Loan payment	Amount	Projected	695,000	Keep the schedule
		Actual	695,000	
	Status(%)	Projected	73.94%	
		Actual	73.94%	
Total	Amount	Projected	695,000	-
		Actual	695,000	
	Status(%)	Projected	73.94%	
		Actual	73.94%	

FY 2011 rights issuance was implemented on October, 2011. A total amount of NTD\$940,000,000 raised fund and own capital of NTD\$1,400,000,000 were projected to pay back bank loan. As of March 31, 2012, actual amount is NT\$695,000,000.

#### III. The reasonableness for reserve balance

The plan is projected at NT\$5,673,182,000. As of March 31, 2011, Both projected and actual amount are NT\$695,000,000. Reserve amount of rights issuance is NT\$245,000,000, which is kept in the Appointed Account and Time Deposit Account with little risk and stable award. It is reasonable for reserve balance of the project.

## Attachment 7

### Sino-American Silicon Products Inc.

#### 2011 Statement of Distribution of Retained Earnings

Unit: NT\$

Item	Amount	
	Sub-total	Total
Accumulated earnings at beginning of 2011		1,651,485,639
Plus : Net income of 2011	428,706,160	
Less : 10% Legal reserve	(42,870,616)	
Less : Special legal reserve	(604,810,272)	
Earning appropriation	(218,974,728)	1,432,510,911
Appropriation item: 2011 earnings as priority Less: Cash Dividends (NT\$1.0 per share )	(443,119,081)	(443,119,081)
Undistributed earnings at year end		989,391,830
Note: Employee Bonus Distribution : 0 Directors' and Supervisors' remuneration : 0		

Note :

1. When the treasury stock is bought back by the Company or yielded to employees, or common stocks converted by corporate bonds, or new stocks issued due to employee stock option, the payout ratio will be submitted to Annual General Shareholders Meeting to authorize BOD so as to adjust proportionally according to the circulating shares on the ex-dividend record date.
2. The cash dividend distribution is rounded down to the nearest dollar. The amount rounded off will be credited to undistributed earnings.
3. No discrepancy between employee bonus and directors' and supervisors' remuneration and the estimated figure for the fiscal year 2011 these expenses are recognized.

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

## Attachment 8

### Sino-American Silicon Products Inc.

#### Articles of Incorporation Comparison Chart

Article	Before	After	Remark
6	<p>The total capital stock of the Company shall be in the amount of NTD<u>6,000,000,000</u>, divided into <u>600,000,000</u> 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 NTD<u>8,000,000,000</u>, divided into <u>800,000,000</u> 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>	Revise
12	<p>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.</p> <p>Unless otherwise provided in the Company Law, the shareholders' meeting shall be convened by the Board of Directors.</p> <p>The notices for shareholders' meeting shall be served to all shareholders in written or electrical forms 30 days in advance</p>	<p>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.</p> <p>Unless otherwise provided in the Company Law, the shareholders' meeting shall be convened by the Board of Directors.</p> <p>The notices for shareholders' meeting shall be served to all shareholders in written or electrical forms 30 days in advance</p>	Revise

	<p>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.</p> <p>The shareholders may execute their voting right through written or electrical form, which shall be in accordance with the relevant regulations. <u>For shareholders who hold less than a thousand shares, the Company can notice them through a public announcement.</u></p>	<p>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.</p> <p>The shareholders may execute their voting right through written or electrical form, which shall be in accordance with the relevant regulations.</p>	
17	<p>Minutes of shareholders' meeting shall <u>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.</u></p>	<p>Minutes of shareholders' meeting shall <u>be proceeded subject to Article 183 of the Company Act.</u></p>	Revise
18-1		<p><u>When the Company establishes an audit committee, it shall abolish supervisors in the same day according to Article 14-4 of Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors.</u></p>	Newly add
32	<p>This articles of Incorporation is established on Dec 25th, 1980 (Omitting)  The 24<sup>th</sup> amendment on June 15<sup>th</sup>, 2010  The 25<sup>th</sup> amendment on June 17<sup>th</sup>, 2011  Implement after approvals from the meeting of stockholders</p>	<p>This articles of Incorporation is established on Dec 25th, 1980 (Omitting)  The 24<sup>th</sup> amendment on June 15<sup>th</sup>, 2010  The 25<sup>th</sup> amendment on June 17<sup>th</sup>, 2011  <u>The 26<sup>th</sup> amendment on June 27<sup>th</sup>, 2012</u>  Implement after approvals from the meeting of stockholders</p>	Add amendment date



## Attachment 9

### Sino-American Silicon Products Inc. Acquisition or Disposal Procedure Comparison Chart

Article	Before	After	Remark
3	<p>Operating procedures</p> <ol style="list-style-type: none"> <li>Omit</li> <li>Omit</li> <li>Investment in non- operational purpose fixed assets <u>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.</u></li> </ol> <p><u>4. Amount limits:</u></p> <ol style="list-style-type: none"> <li>(1) The total amount of any real property purchased by the Corporation not for use in business operations may not exceed 15% of the Corporation's net worth; the total amount of any real property purchased by a subsidiary of the Corporation not for use in business operations may not exceed 5% of the Corporation's net worth.</li> <li>(2) The total amount of investment by the Corporation in all long/short term securities may not exceed 50 % of its net worth; the total amount of investment in all long/short term securities by a subsidiary of the Corporation</li> </ol>	<p>Operating procedures</p> <ol style="list-style-type: none"> <li>Omit</li> <li>Omit</li> <li><u>Amount limits for</u> investment in non- operational purpose fixed assets and securities <u>are as below:</u></li> </ol> <ol style="list-style-type: none"> <li>(1) The total amount of any real property purchased by the Corporation not for use in business operations may not exceed 15% of the Corporation's net worth; the total amount of any real property purchased by a subsidiary of the Corporation not for use in business operations may not exceed 5% of the Corporation's net worth.</li> <li>(2) The total amount of investment by the Corporation in all long/short term securities may not exceed 50% of its net worth; the total amount of investment in all long/short term securities by a subsidiary of the Corporation may not exceed 30% of the Corporation's net worth.</li> <li>(3) The amount of the Corporation's investment in any single security may not exceed 30% of its net worth; the amount of investment by a subsidiary of the Corporation in any single security may not exceed 20% of the Corporation's net worth.</li> </ol>	Revise

	<p>may not exceed 30 % of the Corporation's net worth.</p> <p>(3) The amount of the Corporation's investment in any single security may not exceed 30 % of its net worth; the amount of investment by a subsidiary of the Corporation in any single security may not exceed 20 % of the Corporation's net worth.</p> <p><u>If the Company has established the Independent Director(s), the</u> 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.</p> <p>Omit</p>		
4	<p>Appraisal rules</p> <ol style="list-style-type: none"> <li><u>The price of securities trading in open market is determined by market.</u></li> <li><u>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.</u></li> <li><u>Other fixed assets' acquisition or disposal shall handle with price comparison, negotiation or auction.</u></li> <li>Responsible unit should handle within authority referred in POA (1) <u>Long, Short-term securities and fixed assets' acquisition</u></li> </ol>	<p>Appraisal rules</p> <ol style="list-style-type: none"> <li>Responsible unit should handle within authority referred in POA (1) <u>Acquisition or disposal of long-term securities and fixed</u></li> </ol>	Revise and adjust order

	<p><u>or disposal shall approved by President.</u></p> <p>(2) <u>Other fixed assets shall refer POA for authority.</u></p>	<p><u>assets whose value under 100 million shall be approved by Chairman.</u></p> <p>(2) <u>Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under 100 million shall be approved by President.</u></p> <p>(3) Other fixed assets shall refer POA for authority.</p> <p>2. <u>Acquisition or Disposal of Assets shall proceed according to Article 8 of the procedure.</u></p>	
5	<p>Public disclosure</p> <p>1. The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, <u>within two days since its occurrence</u>, with the relevant data and information:</p> <p>(1) Acquisition of <u>real property</u> from related parties</p> <p>(2) <u>Investment in Mainland China</u></p> <p>(3) Merger, acquisition, spin-off and share transfer</p>	<p>Public disclosure</p> <p>1. The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, <u>within two days commencing immediately from the date of occurrence of the event</u>, with the relevant data and information:</p> <p>(1) Acquisition <u>or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements.</u></p> <p>(2) Merger, acquisition, spin-off and share transfer</p> <p>(3) The transaction losses derived from derivatives reaches the</p>	Revise

	<p>(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.</p> <p>(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:</p> <ul style="list-style-type: none"> <li>I. Omit</li> <li>II. Omit</li> <li>III. Omit</li> <li>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</li> </ul> <p>2. Omit</p> <p>3. Omit</p> <p>4. Omit</p> <p>5. Omit</p> <p>6. Omit</p>	<p>upper limit set forth in the Financial Derivatives Transaction Procedure for all or any individual contract.</p> <p>(4) Except the above 3 mentioned situations, any transaction <u>or investment in Mainland China</u> amount exceed 20% of paid- in capital or NTD 300,000,000. The following does not apply to the limit:</p> <ul style="list-style-type: none"> <li>I. Omit</li> <li>II. Omit</li> <li>III. Omit</li> <li>IV. Property built on own land <u>or rent land</u>, 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.</li> </ul> <p>2. Omit</p> <p>3. Omit</p> <p>4. Omit</p> <p>5. Omit</p> <p>6. Omit</p>	
6	<p>Procedures of Announcement and Filing</p> <p>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 <u>within two</u></p>	<p>Procedures of Announcement and Filing</p> <p>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 <u>within two</u></p>	Revise

	<p><u>days since its occurrence:</u></p> <p>(1)The executed relevant contracts of the original transaction have been changed, terminated or ceased.</p> <p>(2)Mergers, splits, acquisition or shares transference have not been completed in accordance to the anticipated timeframe set in the contracts.</p>	<p><u>days commencing immediately from the date of occurrence of the event:</u></p> <p>(1)The executed relevant contracts of the original transaction have been changed, terminated or ceased.</p> <p>(2)Mergers, splits, acquisition or shares transference have not been completed in accordance to the anticipated timeframe set in the contracts.</p> <p><u>(3)Change to the originally publicly announced and reported information.</u></p>	
7	<p>The Company shall obtain an appraisal report <u>in advance</u> 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:</p> <ol style="list-style-type: none"> <li>1. Omit</li> <li>2. Omit</li> <li>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: <ul style="list-style-type: none"> <li>(1) Variation of the appraisal result and the transaction amount is more than 20%</li> </ul> </li> </ol>	<p>The Company shall obtain an appraisal report <u>prior to the date of occurrence of the event</u> 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:</p> <ol style="list-style-type: none"> <li>1. Omit</li> <li>2. Omit</li> <li>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, <u>unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount,</u> a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion</li> </ol>	Revise

	<p>(2) Variation of the 2 appraisal result is 10% or more than the transaction amount.</p> <p>4. <a href="#">Where an appraisal is conducted before a contract execution date</a>, 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.</p>	<p>regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) Variation of the appraisal result and the transaction amount is more than 20%</p> <p>(2) Variation of the 2 appraisal result is 10% or more than the transaction amount.</p> <p>4. <a href="#">Professional appraiser</a>, 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.</p>	
8	<p>Before investing or selling any securities, current audited financial statements of the target securities <a href="#">should</a> 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.</p>	<p>Before investing or selling any securities, current audited financial statements of the target securities should be obtained and analyzed to evaluate the transaction price <a href="#">prior to the date of occurrence of the event</a>. Transaction amount exceeding 20% of the paid-in capital or NTD 300,000,000 should have accountant's analysis <a href="#">prior to the date of occurrence of the event</a>. <a href="#">If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF</a>. Securities trades in active market or price by Financial Supervisory Commission do not required the procedure above.</p>	Revise
9	<p>In acquiring or disposing membership certificate or intangible assets by a public company, and the transaction amount exceeding 20% of the Company's paid-in capital or NT\$300,000,000, an accountant shall be retained to express opinions on the reasonableness of the transaction</p>	<p>In acquiring or disposing membership certificate or intangible assets by a public company, and the transaction amount exceeding 20% of the Company's paid-in capital or NT\$300,000,000, an accountant shall be retained <a href="#">prior to the date of occurrence of the event</a> to express</p>	Revise

	price and the accountant shall handle the matter pursuant to the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	<p>opinions on the reasonableness of the transaction price and the accountant shall handle the matter pursuant to the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p><u>The calculation of the transaction amounts referred to in the preceding two articles and this article shall be done in accordance with Article 5, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</u></p>	
12	1. The Company <u>acquires asset through purchase or exchange from related parties,</u> the transaction shall be made in accordance with relevant resolution and evaluate the reasonableness of the transaction terms.	<p>1. The Company acquires or dispose asset from related parties, the transaction shall be made in accordance with relevant resolution and evaluate the reasonableness of the transaction terms, <u>if the transaction amount reaches 10% or more of the Company's total assets, the Company should also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedure.</u></p> <p><u>The calculation of the transaction amount referred to in the preceding paragraph should be made in accordance with Article 9 herein.</u></p> <p><u>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</u></p>	Revise

2. When the Company intends to [acquire](#) real property from or to a related party, the following matters have been approved by the board of directors and recognized by the supervisors:

- (1) Reasons, necessity and the anticipated benefit of real estate purchase
- (2) Omit
- (3) Relevant information for evaluating the reasonableness of the anticipated transaction conditions pursuant to the related provisions
- (4) Omit
- (5) Omit
- (6) Conditions and other important agreed items of the transaction

2. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:

- (1) The purpose, necessity and anticipated benefit of the acquisition [or disposal](#) of assets.

(2) Omit

- (3) [With respect to the acquisition of real property from a related party](#), relevant information for evaluating the reasonableness of the anticipated transaction conditions pursuant to the related provisions

(4) Omit

(5) Omit

- (6) [An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.](#)

- (7) Conditions and other important agreed items of the transaction

[The calculation of the transaction](#)



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

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

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) Omit
- (2) Omit

3. When the Company acquires fixed assets from related parties, the reasonableness of transaction cost should be evaluated in accordance with the following methods: Where the land and the buildings on the property are combined for the purchase, the cost of the transaction may be reached by respectively evaluating such land and building based on either method described above, and should also engage a CPA to check the appraisal and render a specific opinion.

- (1) Omit
- (2) Omit

<p>4. When the Company acquires real property from related parties, <u>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.</u></p> <p>(1) Omit (2) Omit (3) Omit</p> <p>5. If the outcome evaluation according to the <u>section 6</u> 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.</p> <p>(1) Omit (2) Omit (3) Omit</p> <p>6. Omit</p> <p>The special reserve appropriated shall be used only when the loss of price fall of the assets bought at high price has been acknowledged, the assets disposed, original state restored, or there exist any other evidence to ensure the reasonableness and when the FSC has approved it.</p> <p>If there exists evidence showing that the transaction of the Company to</p>	<p>4. Where the Company acquires real property from related parties <u>and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 2 and the preceding three paragraphs do not apply:</u></p> <p>(1) Omit (2) Omit (3) Omit</p> <p>5. If the outcome evaluation according to <u>the paragraph (1), (2) of section 3</u> 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.</p> <p>(1) Omit (2) Omit (3) Omit</p> <p>6. Omit</p> <p>The special reserve appropriated shall be used only when the loss of price fall of the assets bought at high price has been acknowledged, the assets disposed, original state restored, or there exist any other evidence to ensure the reasonableness and when the FSC has approved it.</p> <p>If there exists evidence showing that the transaction of the Company to</p>
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acquire real estate from related parties is not conformity with the business practice, the preceding two sections shall govern.

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 audit committee, a matter that shall be recognized by the Supervisors pursuant to Paragraph 1 of this Article shall be approved by the audit committee 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 matter has not been approved with the consent of one-half or more than one-half of all members of the audit committee, the matter 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 boards of directors in preceding paragraph will only calculate the

acquire real estate from related parties is not conformity with the business practice, the preceding two sections shall govern.

	<a href="#">members in present position.</a>		
13	<p>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. °</p> <p>2. Omit</p> <p>3. Omit</p> <p>4. Omit</p> <p>5. Omit</p> <p>6. Omit</p>	<p>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.</p>	Revise
14	<p>Article <a href="#">13</a></p> <p>1. Omit</p> <p>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.</p> <p>If a provision of another act exempts a company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply.</p> <p>Where the shareholders meeting fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies shall immediately publicly explain the reason, the</p>	<p>Article <a href="#">14</a></p> <p>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</p> <p>If a provision of another act exempts a company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply.</p> <p>Where the shareholders meeting fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies shall immediately publicly explain the reason, the</p>	Revise& adjust order

	<p>follow-up operations, and the preliminary date of the next shareholders meeting.</p> <p>3. Omit</p> <p>4. Omit</p> <p>5. Omit</p> <p>6. Omit</p>	<p>follow-up operations, and the preliminary date of the next shareholders meeting.</p>	
15	<p>Article <a href="#">13</a></p> <p>1. Omit</p> <p>2. Omit</p> <p>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.</p> <p>4. Omit</p> <p>5. Omit</p> <p>6. Omit</p>	<p>Article <a href="#">15</a></p> <p>The Company shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, spin-off, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p> <p>The contract for participation by the Company in a merger, spin-off, acquisition, or transfer of shares shall record the rights and obligations of the companies participating in the merger, spin-off, acquisition, or transfer of shares.</p> <p>The Company shall prepare the following information in written record and retain it for 5 years for check.</p> <p>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.</p> <p>2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal</p>	Revise& adjust order

		<p>advisor, the execution of a contract, and the convening of a board of directors meeting.</p> <p>3. Important documents and minutes: Including merger, spin-off, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p>The Company shall, <u>within two days commencing immediately from the date of passage</u> of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.</p> <p>If the opposite party of the transaction of merger, spin-off, acquisition or shares transfer in which the Company participates is not a listed company or an over-the-counter-listed company, the Company shall enter into an agreement with such party and shall comply with the preceding paragraph <u>3, 4</u> of this Article.</p>	
16	<p>Article <u>13</u></p> <ol style="list-style-type: none"> <li>1. Omit</li> <li>2. Omit</li> <li>3. Omit</li> <li>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</li> </ol>	<p>Article <u>16</u></p> <p>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.</p>	Adjust order

	<p>another person, in any stock or other security of any Company related to the plan for merger, spin-off, acquisition, or transfer of shares.</p> <p>5. Omit</p> <p>6. Omit</p>		
17	<p>Article <a href="#">13</a></p> <p>1. Omit</p> <p>2. Omit</p> <p>3. Omit</p> <p>4. Omit</p> <p>5. The Company participating in a merger, spin-off, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless the following circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, spin-off, acquisition, or transfer of shares:</p> <p>(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.</p> <p>(2) An action, such as a disposal of major assets, which affects the Company's financial operations.</p> <p>(3) An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.</p> <p>(4) An adjustment where any of the companies participating in the merger, spin-off, acquisition, or transfer of</p>	<p>Article <a href="#">17</a></p> <p>The Company participating in a merger, spin-off, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless the following circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, spin-off, acquisition, or transfer of shares:</p> <p>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.</p> <p>2. An action, such as a disposal of major assets, which affects the Company's financial operations.</p> <p>3. An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.</p> <p>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.</p> <p>5. An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares.</p>	Revise& adjust order

	<p>shares from another company, buys back treasury stock.</p> <p>(5) An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares.</p> <p>(6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.</p>	<p>6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.</p>	
18		<p><u>The contract for participation in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:</u></p> <ol style="list-style-type: none"> <li><u>1. Handling of breach of contract.</u></li> <li><u>2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.</u></li> <li><u>3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.</u></li> <li><u>4. The manner of handling changes in the number of participating entities or companies.</u></li> <li><u>5. Preliminary progress schedule for plan execution, and anticipated completion date.</u></li> <li><u>6. Scheduled date for convening the legally mandated shareholders meeting if the plan</u></li> </ol>	Add



		<u>exceeds the deadline without completion, and relevant procedures.</u>	
19		<u>After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.</u>	Add
20		<u>Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company should sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 15, Article 16, and Article 19.</u>	Add
21	Article <u>14</u> 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.	Acquisition or disposal of assets by the Company's subsidiary shall obey as follows: 1. The Company's subsidiary shall <u>adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Procedures.</u>	Revise

	<p>2. Omit</p> <p>3. “Reaching 20% of paid-in capital” specified in the regulatory of subsidiary reporting and public announcements criteria shall be the paid-in capital of the parent Company.</p> <p>4. Omit</p>	<p>2. Omit</p> <p>3. “Reaching 20% of paid-in capital <u>or 10% of total assets</u>” specified in the regulatory of subsidiary reporting and public announcements criteria shall be the paid-in capital <u>or total assets</u> of the parent Company.</p> <p>4. Omit</p>	
22		<u>The Company should comply with Derivative Instruments Transactions Procedure when engaging in derivatives trading.</u>	Add
23	Article 15~17	Article 23~25	Adjust order
25	<p>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.</p> <p><u>If the Company has Independent Directors</u>, 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.</p> <p>Omit</p>	<p>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.</p> <p>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.</p> <p>Omit</p>	Revise
26	<p>Article 18</p> <p>The Procedures were enacted on May 29, 1990<sup>st</sup></p> <p>The 1<sup>st</sup> amendment was made on April 26, 1996<sup>nd</sup></p> <p>The 2<sup>nd</sup> amendment was made on November 24, 1998</p>	<p>The Procedures were enacted on May 29, 1990<sup>st</sup></p> <p>The 1<sup>st</sup> amendment was made on April 26, 1996<sup>nd</sup></p> <p>The 2<sup>nd</sup> amendment was made on November 24, 1998</p>	Add amendment date

	<p>The 3<sup>rd</sup> amendment was made on March 19, 1999</p> <p>The 4<sup>th</sup> amendment was made on December 22, 1999</p> <p>The 5<sup>th</sup> amendment was made on January 28, 2000</p> <p>The 6<sup>th</sup> amendment was made on August 18, 2000</p> <p>The 7<sup>th</sup> amendment was made on October 13, 2000</p> <p>The 8<sup>th</sup> amendment was made on March 25, 2002</p> <p>The 9<sup>th</sup> amendment was made on September 10, 2002</p> <p>The 10<sup>th</sup> amendment was made on June 13, 2003</p> <p>The 11<sup>th</sup> amendment was made on June 8, 2006</p> <p>The 12<sup>th</sup> amendment was made on June 21, 2007</p> <p>The 13<sup>th</sup> amendment was made on June 17, 2011</p>	<p>The 3<sup>rd</sup> amendment was made on March 19, 1999</p> <p>The 4<sup>th</sup> amendment was made on December 22, 1999</p> <p>The 5<sup>th</sup> amendment was made on January 28, 2000</p> <p>The 6<sup>th</sup> amendment was made on August 18, 2000</p> <p>The 7<sup>th</sup> amendment was made on October 13, 2000</p> <p>The 8<sup>th</sup> amendment was made on March 25, 2002</p> <p>The 9<sup>th</sup> amendment was made on September 10, 2002</p> <p>The 10<sup>th</sup> amendment was made on June 13, 2003</p> <p>The 11<sup>th</sup> amendment was made on June 8, 2006</p> <p>The 12<sup>th</sup> amendment was made on June 21, 2007</p> <p>The 13<sup>th</sup> amendment was made on June 17, 2011</p> <p><a href="#">The 14<sup>th</sup> amendment was made on June 27, 2012</a></p>	
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## Attachment 10

### Sino-American Silicon Products Inc.

#### Procedures for Lending Funds to Other parties Comparison Chart

Article	Before	After	Remark
3	<p>The total loan amount to others shall not exceed the 40% of the net worth of the Company. It should be varied according to the situations as follows.</p> <p>1 The total amount for lending to a company/firm having business relationship with the Company shall not exceed the 40% of the net worth of the Company. The amount lent to a single recipient may not exceed the amount of the business transacted between the two parties in the most recent year. The transaction amount shall mean the sales or purchasing amount between the parties, whichever is higher.</p> <p>2 The total amount for lending to a company/firm for funding for a short-term period shall not exceed the <u>twenty percent(20%)</u> of the net worth of the Company. The amount lent to a single recipient shall not exceed the <u>twenty percent (20%)</u> of the net worth of the Company.</p> <p>The total amount for fund-lending between the subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company will not be subject to the limit of forty percent (40%) of the net worth of the lending subsidiary.</p>	<p>The total loan amount to others shall not exceed the 40% of the net worth of the Company. It should be varied according to the situations as follows.</p> <p>1 The total amount for lending to a company/firm having business relationship with the Company shall not exceed the 40% of the net worth of the Company. The amount lent to a single recipient may not exceed the amount of the business transacted between the two parties in the most recent year. The transaction amount shall mean the sales or purchasing amount between the parties, whichever is higher.</p> <p>2 The total amount for lending to a company/firm for funding for a short-term period shall not exceed the <u>forty percent(40%)</u> of the net worth of the Company. The amount lent to a single recipient shall not exceed the <u>ten percent (10%)</u> of the net worth of the Company.</p> <p>The total amount for fund-lending between the subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company will not be subject to the limit of forty percent (40%) of the net worth of the lending subsidiary.</p>	Revise

11	<p>The Procedure was enacted on May 29, 1990</p> <p>The 1st amendment was made on March 19, 1999</p> <p>The 2nd amendment was made on December 22, 1999</p> <p>The 3rd amendment was made on March 25, 2002</p> <p>The 4th amendment was made on June 13, 2003</p> <p>The 5th amendment was made on June 19, 2008</p> <p>The 6th amendment was made on June 3, 2009</p> <p>The 7th amendment was made on June 15, 2010</p>	<p>The Procedure was enacted on May 29, 1990</p> <p>The 1st amendment was made on March 19, 1999</p> <p>The 2nd amendment was made on December 22, 1999</p> <p>The 3rd amendment was made on March 25, 2002</p> <p>The 4th amendment was made on June 13, 2003</p> <p>The 5th amendment was made on June 19, 2008</p> <p>The 6th amendment was made on June 3, 2009</p> <p>The 7th amendment was made on June 15, 2010</p> <p><a href="#"><u>The 8<sup>th</sup> amendment was made on June 27, 2012</u></a></p>	Add amendment date
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## Attachment 11

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

Description		Year	Estimates for 2012
Paid-in capital at the beginning of the term(Unit: Thousand NT\$)			4,431,191,000
Stocks, Dividend	Cash dividend per share (Note 1)		NT\$1.0
Allocated in the Year	Stock allocated per share upon capital increase with earning(Note 1)		0 Share
	Stock allocated per share upon capital increase with capital reserve		0 Share
Change in Business Performance	Operating profit (Unit: Thousand NT\$)		N/A (Note 2)
	Increasing(decreasing) rate of operating profit compared with preceding year		
	Net profit after tax (Unit: Thousand NT\$)		
	Increasing(decreasing) rate of net profit after tax compared with preceding year		
	Earning per share (EPS) (NT\$)		
	Increasing(decreasing) rate 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 27, 2012

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 2012.

## Attachment 12

### 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 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.

- 2 Amount and related information of Board's resolution of employee bonus and remunerations for Directors and Supervisors:
  - (1) No allocation for employee stock bonus nor Directors' and Supervisors' remuneration.
  - (2) Distribution of cash bonuses or stock bonuses to employees, and remuneration to directors and supervisors. If there is any discrepancy between such an amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, reasons therefore, and how it is treated shall be disclosed: No discrepancy between such an amount and the estimated figure for the fiscal year 2011 these expenses are recognized.

## **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 1<sup>st</sup> amendment was made on June 12, 1998.

The 2<sup>nd</sup> amendment was made on June 16, 1999.

The 3<sup>rd</sup> amendment was made on June 21, 2002.

The 4<sup>th</sup> 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.

###### Article 5-1

The Procedures are the guidelines for the Company to provide endorsement and/or guarantee to

outside parties who has business relationship with the Company.

## **Chapter II. Capital Stock**

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' depositary and clearing organizations.

### **Article 8:**

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

### **Article 9:**

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

### **Article 10:**

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

### **Article 11:**

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

### **Chapter III. Shareholders' Meeting**

#### **Article 12:**

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

Unless otherwise provided in the Company Law, the shareholders' meeting shall be convened by the Board of Directors.

The notices for shareholders' meeting shall be served to all shareholders in written or electrical forms 30 days in advance in case of a regular meeting of shareholders or 15 days in advance in case of 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 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.

- (1) Business report
- (2) Financial statements
- (3) 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, 2011  
The 25th amendment on June 17th, 2011  
Implement after approvals from the meeting of stockholders

## **Appendix 3**

### **Sino-American Silicon Products Inc.**

#### **Acquisition or Disposal of Assets Procedure**

##### **Article 1**

These Procedures for acquisition or disposal of assets ("Procedures") is made pursuant to Article 36-1 of the Securities and Exchange Act ("the Act") and the Executive Yuan's Financial Supervisory Commission (hereinafter referred to as "FSC") per the Regulations Governing the Acquisition or Disposal of Assets by Public Companies

##### **Article 2**

Asset referred in this policy includes:

1. Stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Tangible 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. 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 all long/short term securities may not exceed 50 percent of its net worth; the total amount of investment in all long/short term securities by a subsidiary of the Corporation may not exceed 30 percent of the Corporation'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.

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

5. The price of securities trading in open market is determined by market.
6. 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.
7. Other fixed assets' acquisition or disposal shall handle with price comparison, negotiation or auction.
8. 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 may be substituted for the appraisal report or CPA opinion.

#### Article 11

Professional appraisers and their officers, certified public accountants, 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 lapse between the date of acquisition of real estate and the date of the transaction has been more than five years.
  - (3) The acquisition of real estate is based on the cooperative construction contract with the related parties.
- 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.
6. If the outcome of evaluation of the real estate acquired from the related parties is lower than the transaction price, the following measures shall be taken.
  - (1) The special reserve shall be appropriated pursuant to the related laws for the price difference between the transaction price and the assessment and shall not be distributed or used for capital increase.
  - (2) Supervisors shall handle the matter pursuant to Article 218 of Company Act.



- (3) The measures taken according to section 1 and section 2 shall be reported to the meeting of shareholders and the detailed content of the transaction shall be disclosed in the annual report and prospectus.

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

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

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 audit committee, a matter that shall be recognized by the Supervisors pursuant to Paragraph 1 of this Article shall be approved by the audit committee 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 matter has not been approved with the consent of one-half or more than one-half of all members of the audit committee, the matter 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 boards of directors in preceding paragraph will only calculate the members in present position.

#### 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. The Company participating in a merger, spin-off, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless the following circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, spin-off, acquisition, or transfer of shares:
  - (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
  - (2) An action, such as a disposal of major assets, which affects the Company's financial operations.
  - (3) An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.
  - (4) An adjustment where any of the companies participating in the merger, spin-off, acquisition, or transfer of shares from another company, buys back treasury stock.
  - (5) An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares.
  - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
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 Procedures were enacted on May 29, 1990

The 1<sup>st</sup> amendment was made on April 26, 1996

The 2<sup>nd</sup> amendment was made on November 24, 1998

The 3<sup>rd</sup> amendment was made on March 19, 1999

The 4<sup>th</sup> amendment was made on December 22, 1999

The 5<sup>th</sup> amendment was made on January 28, 2000  
The 6<sup>th</sup> amendment was made on August 18, 2000  
The 7<sup>th</sup> amendment was made on October 13, 2000  
The 8<sup>th</sup> amendment was made on March 25, 2002  
The 9<sup>th</sup> amendment was made on September 10, 2002  
The 10<sup>th</sup> amendment was made on June 13, 2003  
The 11<sup>th</sup> amendment was made on June 8, 2006  
The 12<sup>th</sup> amendment was made on June 21, 2007  
The 13<sup>th</sup> amendment was made on June 17, 2011

## **Appendix 4**

### **Sino-American Silicon Products Inc.**

#### **Procedures for Lending Funds to Other parties**

##### **Article 1**

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

##### **Article 2**

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

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

##### **Article 3**

The total loan amount to others shall not exceed the 40% of the net worth of the Company. It should be varied according to the situations as follows.

- 1 The total amount for lending to a company/firm having business relationship with the Company shall not exceed the 40% of the net worth of the Company. The amount lent to a single recipient may not exceed the amount of the business transacted between the two parties in the most recent year. The transaction amount shall mean the sales or purchasing amount between the parties, whichever is higher.
- 2 The total amount for lending to a company/firm for funding for a short-term period shall not exceed the twenty percent (20%) of the net worth of the Company. The amount lent to a single recipient shall not exceed the twenty percent (20%) of the net worth of the Company.

The total amount for fund-lending between the subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company will not be subject to the limit of forty percent (40%) of the net worth of the lending subsidiary.

##### **Article 4**

The term of each loan extended by the Company shall not exceed one year. The interest rate shall be determined on the basis of the Company's funding , but in no event shall it be higher than the Company's highest short-term bank borrowing rate at the time of lending. The interests shall be calculated on a monthly basis.

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

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

With special circumstance and the approval of Board of Directors, the term of loan may be extended depending on its actual situation.

#### Article 5

- 1 Any borrower, when applying for a loan from the Company, shall submit an application or a letter. The financial department, based on the aforesaid information, shall do an investigation on the necessity and rationality of the loan application, the credibility and risk of the borrower, the impact on the Company's operating risk, financial positions and shareholders' right and interests .When necessary, an appropriate mortgage of real property or personal property shall be created. Duration and interest payment terms shall be determined based on these findings, and then submitted to President/Chairman for approval.
- 2 If the Company has independent Directors, the Board shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes when lending to a company/firm.

#### Article 6

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

#### Article 7

- 1 The Company shall announce and report the previous month's balance of loans of funds made by itself and its subsidiaries by the 10th day of each month.
- 2 If the Company's loans of funds reach one of the following levels, the Company shall announce and report such fact within two days from its occurrence:

- (1) The balance of loans of funds by the Company and the Company's subsidiaries to others reaches 20 percent or more of the Corporation's net worth as stated in its latest financial statement.
- (2) The balance of loans of funds by the Company and the Company's subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.
- (3) The amount of new loans of funds by the Company or any of the Company's subsidiaries reaches NT\$10 million or more and also reaches 2 percent or more of the Company's net worth as stated in its latest financial statement.

The Company shall announce and report on behalf of any of its subsidiaries that is not a domestic public company any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

#### Article 8

- 1 After a loan has been disbursed, the financial, business, and credit condition of the borrower and the guarantor shall be monitored on a regular ongoing basis. If collateral has been provided, it shall be monitored for any changes in the collateral value. In the event of any material change, it shall immediately be reported to the chairman of the board of directors, and appropriate measures shall be taken in accordance with the chairman's instructions.
- 2 If the borrower repays the loan when or before it becomes due, the interest payable shall first be calculated, and shall be paid together with the principal, before the promissory note may be cancelled and returned to the borrower or the mortgage cancelled.
- 3 When a loan becomes due, the borrower shall promptly repay the principal and interest in full. If the borrower is unable to make repayment on the due date and deferral is required, the application for deferral shall be made in advance, and submitted to the board of directors for approval before implementation. For any given repayment, deferral shall not exceed three months, and only one deferral may be given. In the event of breach, the Corporation may duly dispose of, or pursue recovery from, the borrower's collateral or guarantor.

#### Article 9

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



#### Article 10

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

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

#### Article 11

The Procedure was enacted on May 29, 1990

The 1<sup>st</sup> amendment was made on March 19, 1999

The 2<sup>nd</sup> amendment was made on December 22, 1999

The 3<sup>rd</sup> amendment was made on March 25, 2002

The 4<sup>th</sup> amendment was made on June 13, 2003

The 5<sup>th</sup> amendment was made on June 19, 2008

The 6<sup>th</sup> amendment was made on June 3, 2009

The 7<sup>th</sup> amendment was made on June 15, 2010

## 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 29, 2012 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 443,119,081 shares. The Company's Directors hold at least 4.5135% shares and the Company's Supervisors hold at least of 0.4513% of shares, and such holdings comply with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

Position	Name	Shareholdings	Note
Chairman	Ming-Kung Lu	10,138,670	
Vice Chairman	Tang-Liang Yao	1,720,395	
Director	Hsiu-Lan Hsu	1,441,085	
Director	Solar Energy Corp.	21,860,379	Representative: Kang-Hsin Liu
Director	Solar Energy Corp.	21,860,379	Representative: Chin-Lung Chang
Director	Lin-Lin Sun	3,644,724	
Director	Wen-Huei Tsai	3,033,191	
Director	Mao-Yang Co.,Ltd	3,000,639	Representative: Tieh-Chih Sun
Independent Director	Ting-ko Chen	0	
Independent Director	Ming-Chang Chen	0	
Independent Director	Angela Huang	0	
Subtotal		44,839,083	Met required shareholding
Supervisor	Kuo-Chow Chen	2,582,635	
Supervisor	Su-Mei Yang	2,001,685	
Supervisor	Kun Chang Investment Co.	2,202,100	Representative: May-Yuan Chang
Subtotal		6,786,420	Met required shareholding
Total (Directors and Supervisors)		51,625,503	Met required shareholding

## Other Statement Items

Explanatory notes for the proposal at 2012 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, in which do not excess 300 words.
2. Submission period applicable to common shareholders of SAS starts from April 16 to April 25, 2012. The Company has made a public announcement on MOPS.
3. The Company has not received any proposal from shareholders yet.