

**Sino-American Silicon Products Inc.**  
**2015 Extraordinary Annual General Shareholders'**  
**Meeting Minutes**

Time: 9:00 am, Tuesday, January 6, 2015

Place: 2F, No. 1. Industrial East Road 2, Science-Based Industrial Park, Hsinchu  
(Science Park Life Hub/Darwin Hall)

Attendants: All shareholders and their proxy holders, representing 361,334,415 shares  
(among them, 112,677,094 shares voted via electronic transmission), or 62.30% of the total  
580,031,151 outstanding shares

Presence of directors: 10

Director	Ming-kung Lu
	Tan-liang Yao
	Hsiu-lan Hsu
	Kan-shin Liu
	Wen-huei Tsai
	C.K. Hsu
	Kai-chiang Company Representative: Hau Fang
	Pan Asia Solar, Ltd. Representative: Szpitalak Ted
	Ting-ko Chen
	Angela Huang
Observer	Chi-shi Chao(Legal Counselor), Mei-yu Tseng (Accountant)
Chairperson	Ming-kung Lu, Chairman
Recorder	Olga Chang

**1. Call Meeting to Order:**

The aggregate shareholding of the presenting shareholders constituted a quorum.

**2. Chairperson's Address:(Omitted)**

Summary of the point of order from Shareholder No. 0068691:

- I would like to ask the chairperson to take my statements into the minutes as well as the responses made by the company.
- The convener of this extraordinary general meeting is in the name of the BoD of the company without basic information instead of the location of the proxy solicitation agency, which has been against the proxy rule. I request that the chairperson should

report the number of presence and shares of those who are personally present, proxy, and solicited.

- As the China Trust is asked to be the solicitor, according to the rule, distinction on its attendance card or book should be provided today. Please explain if there's any.

Summary of responses from the chairperson and relevant staff:

- Statements made and responded today will be taken notes for the meeting minutes.
- All solicitation procedures are abided by the rules.
- The company conducts by the rules as follows. Personal attendance: 45 with 95,347,347 shares. Proxy attendance: 1 with 361,000 shares. Solicited attendance: 1 with 152,779,635 shares. Electric votes: 226 with 112,677,094 shares.
- As today's solicitor, China Trust has been here wearing a distinctive mark of "SOLICITOR" on the attendance card.

### **3. Approval Items**

#### **Item 1**

(Proposed by the Board of Directors)

Proposal: The Company proposes to conduct the resolution of the board of directors to forfeit the subscription to the capital increase by cash of its subsidiary GlobalWafers Co., Ltd. (GWC) Submitted for discussion.

Description:

- (1) Following the IPO related affairs and the plan for SAS' subsidiary GWC to be listed in the OTC market, SAS decided to conduct stock diversification in order to share the operating results with all shareholders so as to maximize the rights of shareholders of both the head quarters and its subsidiary.
- (2) SAS' subsidiary GWC proposed on November 13, 2014 to increase the capital by cash with 31,750,000 shares for operating development with the tentative issue price of NT\$65 per share. In compliance with this, SAS proposed to forfeit the subscription right (the Forfeiture) and transfer it to all shareholders (the Transfer) of SAS based on the most updated register of shareholders. All SAS shareholders hold subscription rights of GWC with 46.76350 shares per 1,000 shares of SAS. For those shares that SAS shareholders forfeit or fractional subscription shares, board meeting thereby authorizes the chairman of GWC to seek and approach specific persons for subscription.
- (3) In line with GWC stock transfer operations, the total numbers of shares to be subscribed by the SAS's shareholders are to be based on the shares held by SAS on shareholders list of GWC on the date of the cash capital increase subscription. The stock transfer agent of GWC will mail the subscription payment notice to all shareholders of SAS.

- (4) The above Forfeiture, Transfer or other matters not fully covered in this announcement are to be submitted to the shareholders' meeting to fully authorize the board of directors to deal with the related matters.
- (5) The proposal has been approved by the third meeting of the first audit committee on November 13<sup>th</sup>, 2014.
- (6) Resolution requested.

Summary of the 1<sup>st</sup> statement of shareholder No.0068691:

- Three business groups are divided up on October 1, 2011 while the sapphire business merged with Crystalwise Technology Inc. Please explain why there was nothing about Crystalwise Technology in the financial statements of the first half and the 3<sup>rd</sup> quarter of 2014?
- Please explain the IPO progress of GWC. Why is it necessary to conduct stock dispersion at this time?
- Regarding the capital increase by cash of GWC, issues like subscription condition, price per share, purpose of the capital increase, fund operation and expected return were all not disclosed. Why?
- How do you decide the subscription price to be NT\$65 for the capital increase of GWC?
- How do you define that all shareholders of Sino-American Silicon Products Inc.(SAS) can subscribe for 46.76350 shares per thousand shares?
- Same situation, how did you decide the price of NT\$40 for the subscription of GWC's capital increase by cash in 2012? Did directors subscribe any?
- SAS announced on behalf of GWC on October 2, 2014 that SAS was to dispose its shareholdings for no more than 6,350,000 shares with NT\$60 per share while later the investigation says that the buyer is Yuanta Securities. Please explain the necessity and relevant rules to transfer the ownership to the Securities plus the rationality about the selling price.
- The proposal means to ask for the authorization from the shareholders meeting to SAS chairman to decide all related matters. Why nothing is disclosed about those related matters?

Summary of the 2nd statement of shareholder No.0068691:

- The proposal means to ask for the authorization from the shareholders meeting to SAS chairman to decide all related matters. Please explain what they are? (Restatement)
- What's the base for transferring stocks by NT\$60 per unit for no more than 6,350,000 shares? Didn't it break any promise? (Restatement)
- The parent company should announce on behalf of its subsidiary the information about GWC's capital increase project. Was it done?

- The chairperson spoke of that the issue price of NT\$40 for the capital increase in 2012 was decided according to the net value of the company at that time but it is not true.
- When Sino Sapphire Co., Ltd. became a spin-off from SAS, SAS still held 100% shares. After the merger with Crystalwise Technology, why was the shareholding only 48% with only one director at the BoD?

Summary of responses from the chairperson and relevant staff:

- When our sapphire business was merged with Crystalwise Technology, SAS only acquired 42.8% stock right which was applied to equity method not subsidiary, so the financial data was combined from non-operating income.
- For the IPO preparation of GWC, it is necessary to release SAS' shareholding by the law. If the IPO application progress comes along smoothly, GWC will become a publicly traded company in the latter half of 2015.
- The main reason for GWC's capital increase is to meet operating requirement and reimbursement of bank loans. The relevant information has been announced on November 13, 2014 and December 2, 2014 by GWC. Purpose and possible benefits related to the capital increase were also been made public by GWC on December 1, 2014 for all shareholders' reference at M.O.P.S site.
- The subscription price of NT\$65 is calculated according to the estimation of trade market capitalization and its net value of which the rationality review report on the price was also provided by the independent accountant of the third party.
- The estimation of the subscription amount with 46.76350 shares per thousand unit is as follows.  
 Total issuance (GWC): 317,500,000 shares  
 10% increase: 31,750,000 shares  
 $317,500,000 \times 90\%$  (reserve 10% for employees to subscribe)  $\times 94.923149606\%$  (SAS holds 301,381,000 shares of GWC stocks, ratio of 94.923149606%)/580,031,151 shares (SAS total issuance)=46.76350 shares.
- The subscription price of NT\$40 for GWC's capital increase in 2012 was decided on the basis of the net value of the company then (over NT\$39 and NT\$40 insufficient,) so the price was a little higher than the net value at that time. Unexecuted employee stocks were offered for directors to subscribe. I, the chairman, subscribed for 250,000 shares. To co-operate with GWC's IPO, the transfer object of the stock release in 2014 was employees and the object of the capital increase this time is employees and original shareholders.
- To co-operate with GWC's IPO application, it is necessary for SAS to release stocks for emerging stock market. This complies with OTC's regulations. While just starting the IPO( on Sept. 24, 2014 and trading began on Oct. 28, 2014), there was no existing market price for reference and thus the subscription price of NT\$60 was determined by the net value at that present and profits of Q1 2014 together with the market values and net values of the

industry. A rationality review report on the price was also provided by the independent accountant of the third party.

- Related matters required authorization from the shareholders meeting to the BoD refer to all the follow-up affairs, such as subscription notice of the capital increase etc.
- GWC has announced in line with regulations on Nov. 13, 2014 and Dec. 2, 2014 that the purpose and benefit of the recent capital increase has been disclosed on the announcement on Dec. 1, 2014 for shareholders' reference at M.O.P.S site.
- The net value of the company changes every year. The subscription price of NT\$40 was determined with the net value of the company (over NT\$39 and NT\$40 insufficient), a little higher than the net value at that time.
- Seeing that too many similar business groups have resulted in unhealthy competition, the merger was conducted for the integration of upstream sapphire suppliers. At that time, Sino Sapphire Co., Ltd. was not yet a publicly operating company while Crystalwise Technology had been a listed company, so the stock transferring ratio for Sino Sapphire to Crystalwise Technology was 1:1.8967 not 1:1. In addition to protect employees and directors of the originally existing company for further operation, SAS chose not to aggressively involved in the operating system which resulted in low seat of directors.

Statements from shareholder No. 0235956, 0238819, 0018173, 0222233, 0235926, 7000001 were all responded by the chairperson and related stuff. Due to against votes from the electric polling, the case was moved to vote after the chairperson's description.

Resolution:

361,334,415 shares were represented at the time of voting (among them, 112,677,094 shares voted via electronic transmission),

329,696,325 shares voted for the proposal (among them, 82,626,589 shares voted via electronic transmission) representing 91.24% of the total attending shareholders.

2,512,055 shares voted against the proposal (among them, 2,511,055 shares voted via electronic transmission), and 27,539,180 shares abstained (among them, 27,539,180 shares voted via electronic transmission). The proposal was approved by the large quorum votes for FOR.

**4. Supplementary Motions: None**

**5. Meeting Adjourned: 11:32 am**

This meeting minutes merely records the main points of the meeting as well as the resolution result of the proposal. For detailed meeting content, procedure and statements of the shareholders, please refer to the meeting VCD.

Please note that the above is an English translation version. If there is any discrepancy between the original Chinese version and this English translation, the Chinese version shall prevail.