



Sino-American Silicon Products



3rd Quarter 2010 Earning Report

Nov 3, 2010

Safe Harbor Notice

Any statements set forth of forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements.

Potential risks and uncertainties include, but are not limited to, such factors as fluctuations in product demand, the introduction of new products, the Company's ability to maintain customer and vendor relationships, technological advancements, impact of competitive products and pricing, growth in targeted markets, risks of foreign operations, foreign exchange rates, and other information detailed from time to time.

Company Profile

Established

1981

Locations :

SAS / Hsinchu, Taiwan

SSC1, 2 – Chunan, Taiwan

SST – Kunshan, China

GTI – TX, USA



Employees

2200

Main Products

Semiconductor Wafers

Solar Ingots / Wafers

Sapphire Wafers

Quality System

ISO-9001

QS-9000

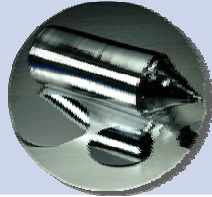
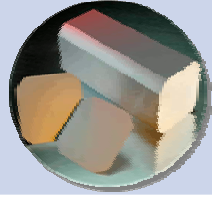
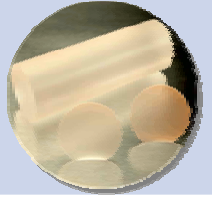
TS-16949

ISO-14001

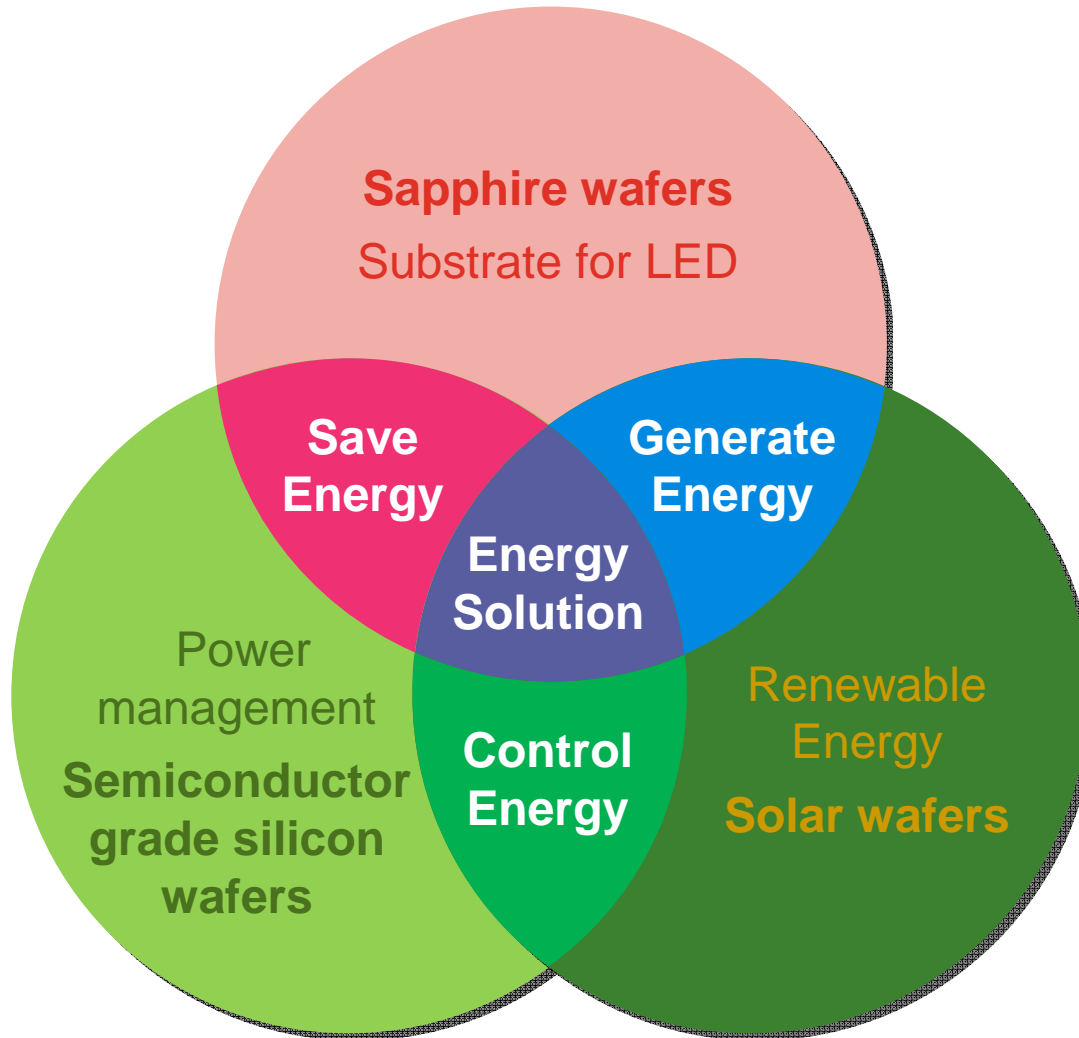
Milestones

- 1981** Sino-American Silicon Products Inc. established
- 1999** SST established in China
- 2000** Enter Solar Ingot / Wafer Business
- 2001** SAS IPO in Taiwan (OTC traded # 5483)
- 2004** Receive Taiwan Government's 12th Excellent Enterprise Innovation Award
- 2006** SSC1 Founded in Chunan - Expansion for PV business
- 2007** Optoelectronics Business Unit established
- 2008** GlobiTech Inc. (TX USA) acquired
- 2008** Receive Taiwan Government's 16th Outstanding Enterprise Innovation Award
- 2009** SSC 2 operation starts
- 2009** Completed 9 Solar Farms in Italy
- 2010** Debut GDR issuance/JV Vertical integration with Solartech

SAS Products

	Semiconductor Wafer	Solar Wafer	Sapphire Wafer
			
Product	<ul style="list-style-type: none"> ● Heavily-doped wafers ● Deep diffusion wafers ● Silicon-on-insulator ● Epitaxial wafers 	<ul style="list-style-type: none"> ● Mono and Multi ingots ● Mono and Multi wafers 	<ul style="list-style-type: none"> ● Sapphire wafers -PW -PSS -Nano PSS
Sites	<ul style="list-style-type: none"> ● Hsinchu, Taiwan(SAS) ● KunShan, China(SST) ● Texas, USA(GTI) 	<ul style="list-style-type: none"> ● Chunan Plant I, Taiwan ● Chunan Plant II, Taiwan 	<ul style="list-style-type: none"> ● Chunan Plant I, Taiwan
Size	● 3" - 8"	● 6" - 8"	● 2" and 4"
Application	<ul style="list-style-type: none"> ● Automotive power device ● Power discrete ● Image sensor ● MEMS 	<ul style="list-style-type: none"> ● Solar cell 	<ul style="list-style-type: none"> ● LED lighting lamp ● Back light module

Product Development Strategy



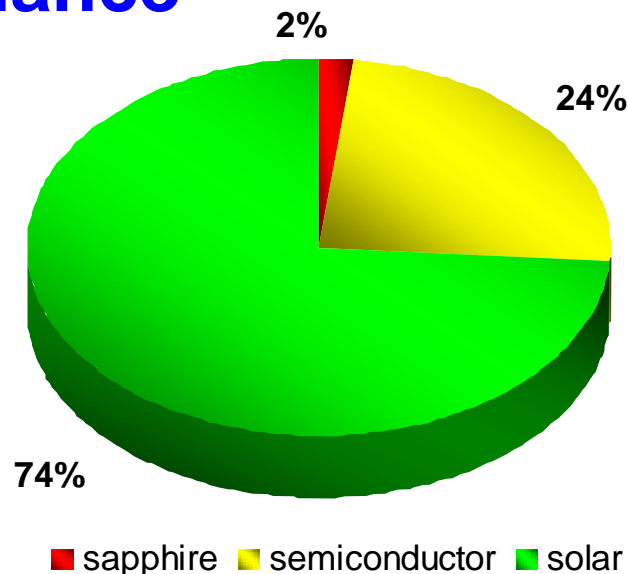
2010 Q3 Highlights

📍 Market demand keep on surging

- Full utilization for all production lines
- Strong demand push up 3Q Solar ASP.
- 3Q sapphire revenue double compared with 2Q

📍 Strong financial performance

- Consecutive monthly record high revenue posted
- Gross margin up 8% than 2Q
- Net income grows 78 % QoQ



Business Dynamics

Solar Wafer

- Strong market demand push ASP rise over 20% compared with year beginning.
- Shipment surged significantly with capacity expansion.

Semiconductor Wafer

- Strong and clear Visibility till year End.
- Stable Gross margin.
- Aggressive Epi capacity expansion to meet big brand players' long-term cooperation request.

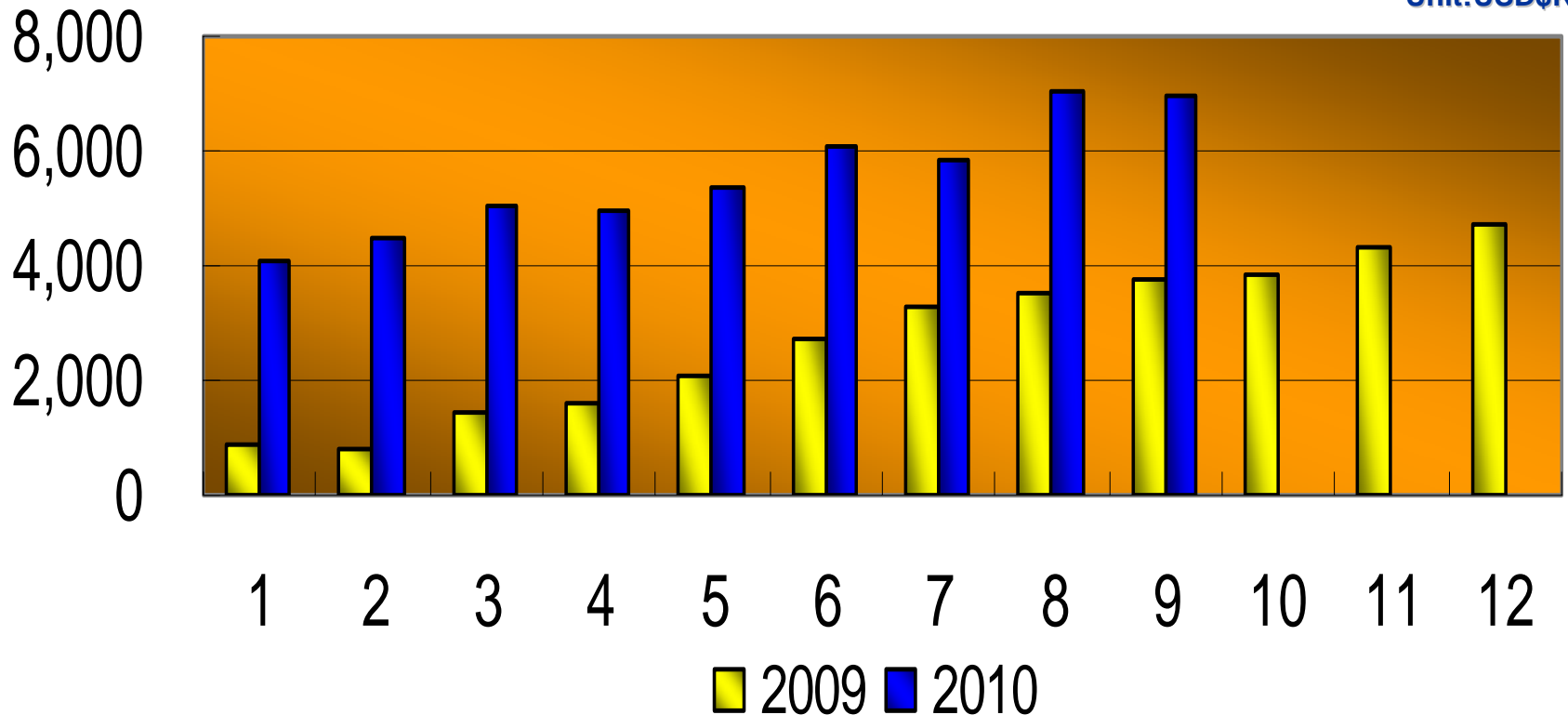
Sapphire Wafer

- Whole supply chain material shortage tension seen.
- Shipment Volume quickly increase from Q1 to Q3
- 4" Sapphire wafer shipment began.
- High yield rate leads to much improved gross margin.

Strong EPI Revenue Growth

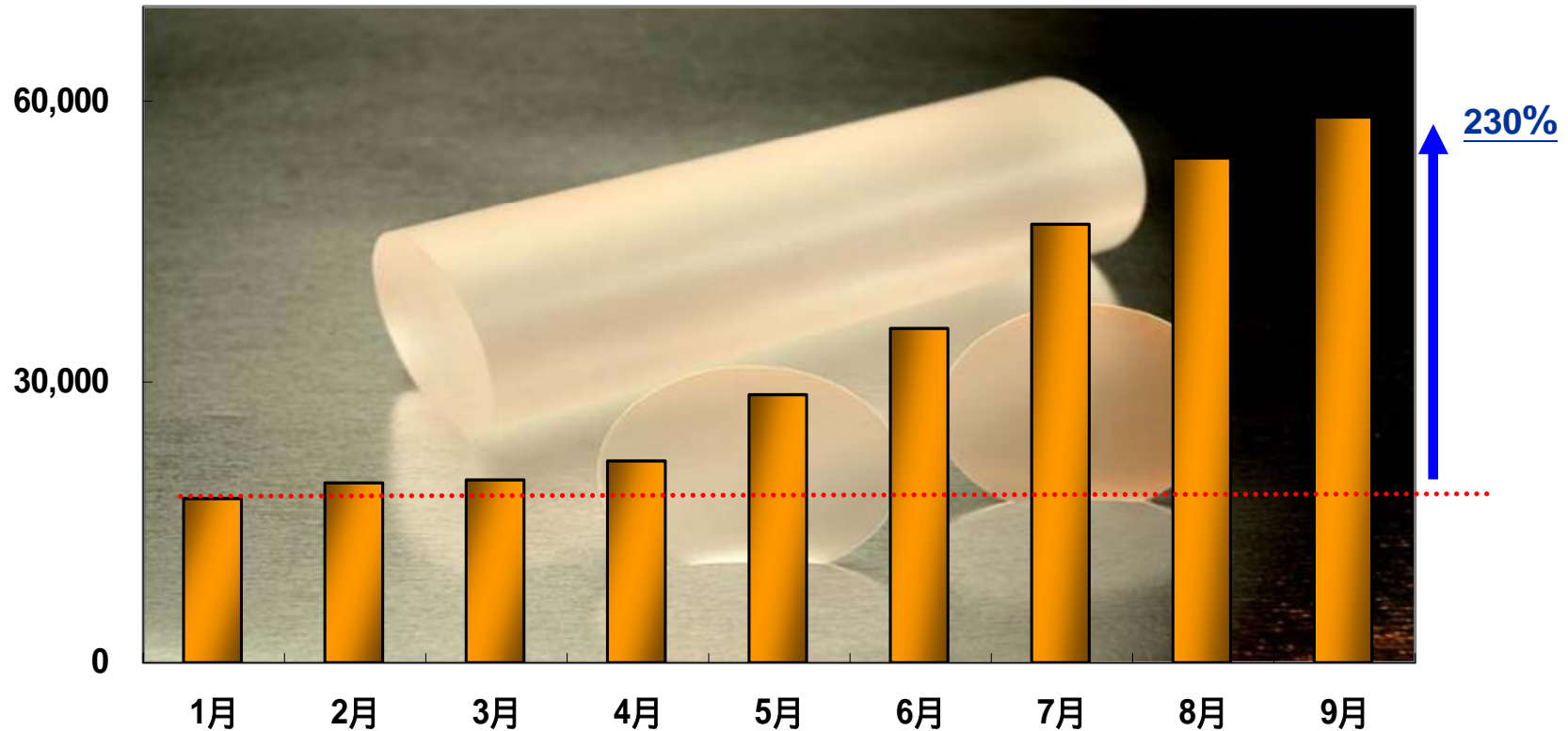
GTI Revenue Trend in Two Years

Unit:USD\$K



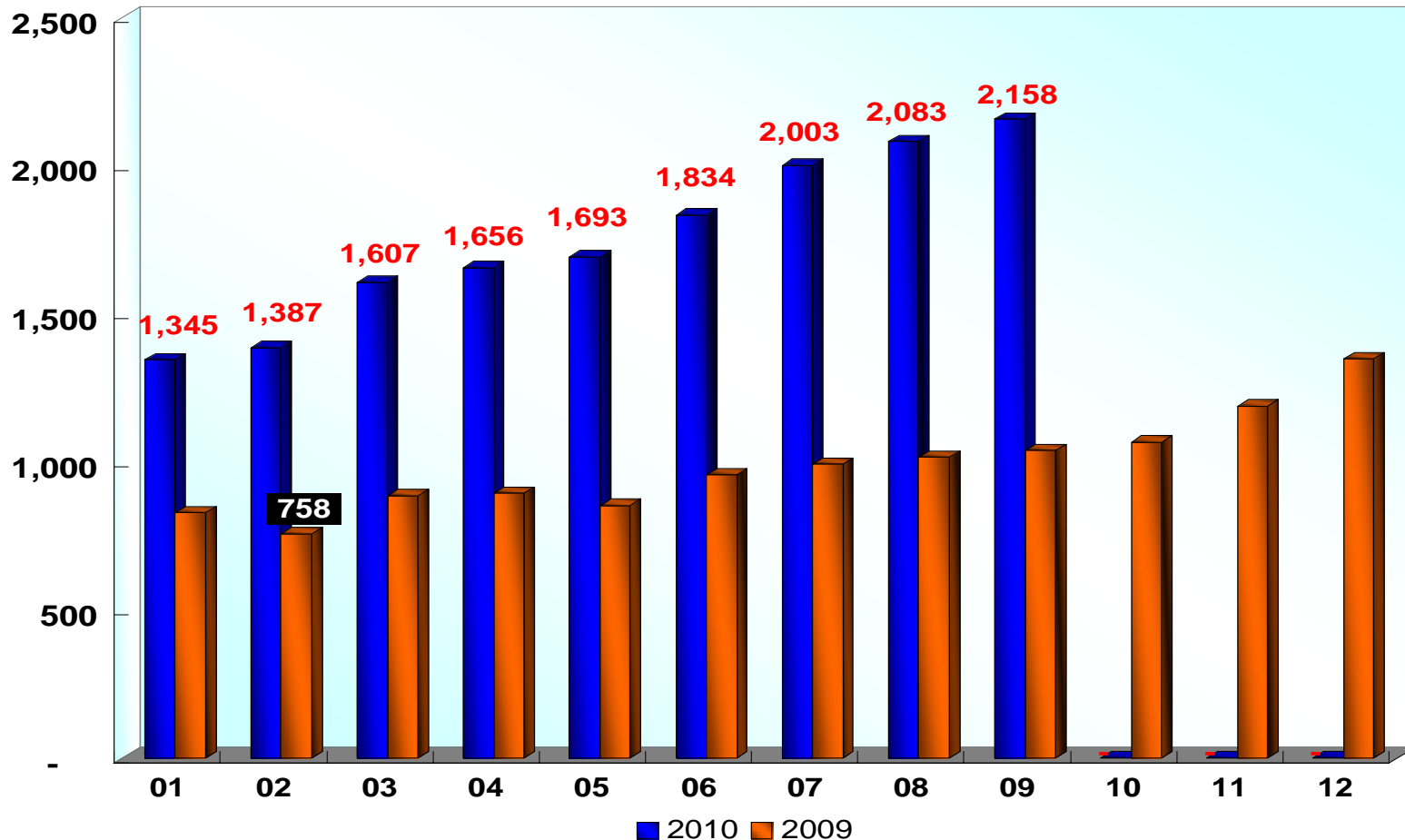
Sapphire Revenue Growth

2010 Sapphire Revenue Trend Unit:NTD\$K



2010 Monthly Revenue Trend

Unit:NTD\$M



Condensed Income Statement

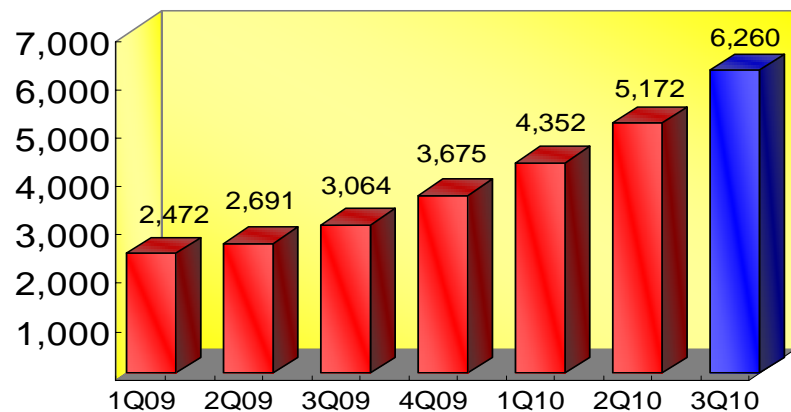
In NTD\$M

	<u>2009</u>	<u>1Q10</u>	<u>2Q10</u>	<u>3Q10</u>	<u>2010 Accu.</u>
Revenues	11,902	4,352	5,172	6,260	15,784
Gross Profit	1,222	607	1,103	1,812	3,522
Gross Margin	10%	14%	21%	29%	22%
Operating Expense	846	240	299	352	892
Operating Income	376	366	804	1,460	2,630
Operating Margin	3%	8%	16%	23%	17%
Net Income before Tax	520	366	831	1,483	2,679
Net Margin	4%	8%	16%	24%	17%
A/T EPS	1.69	1.00	2.21	3.95	7.16

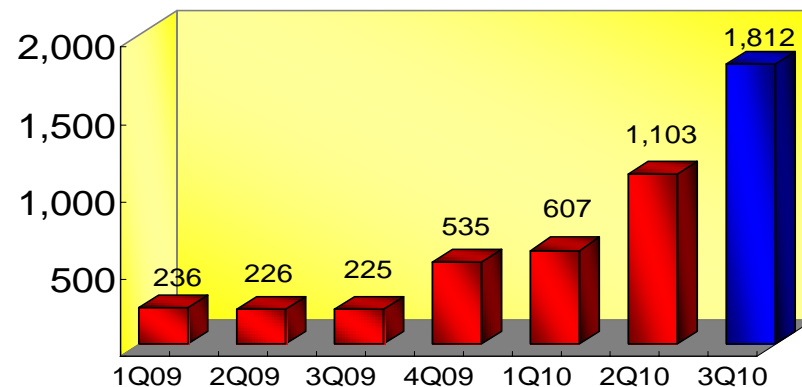
Key figures Trend

In NTD\$M

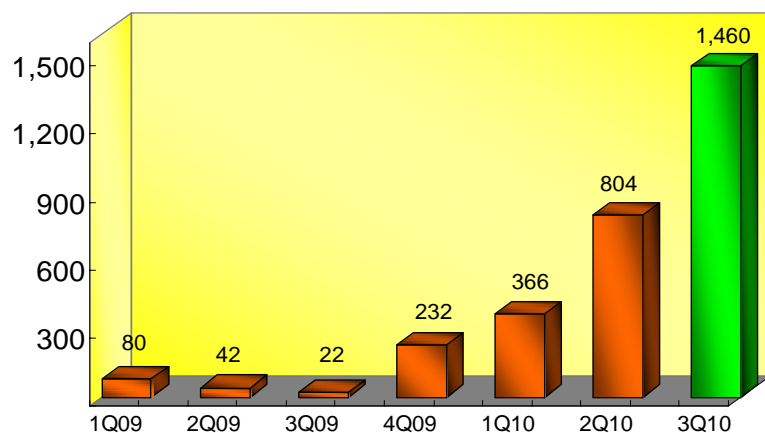
Revenue



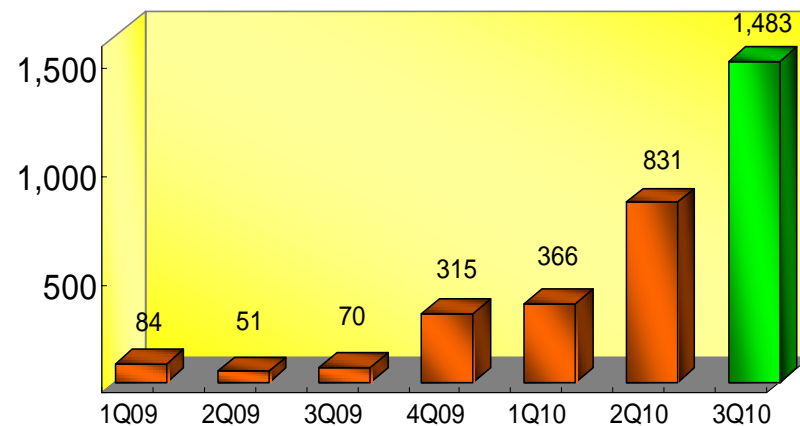
Gross Profit



Operating Income



Net Income B/T



3Q Results Focus

Key financial figure growth:

In NTD\$M

	3Q10	2Q10	QoQ Growth%	3Q09	YoY Growth%	1~3Q 2010	1~3Q 2009	YoY Growth%
Revenue	6,244	5,172	20.73%	3,064	103.78%	15,784	8,227	91.85%
Gross Profit	1,812	1,103	64.26%	225	706.05%	3,522	688	412.33%
Net Profit B/T	1,448	831	74.33%	70	1968.69%	2,679	205	1205.24%

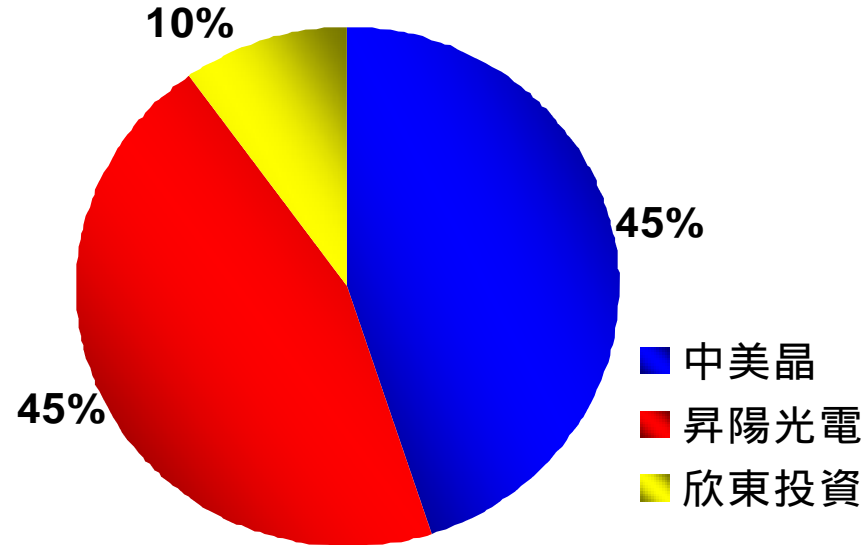
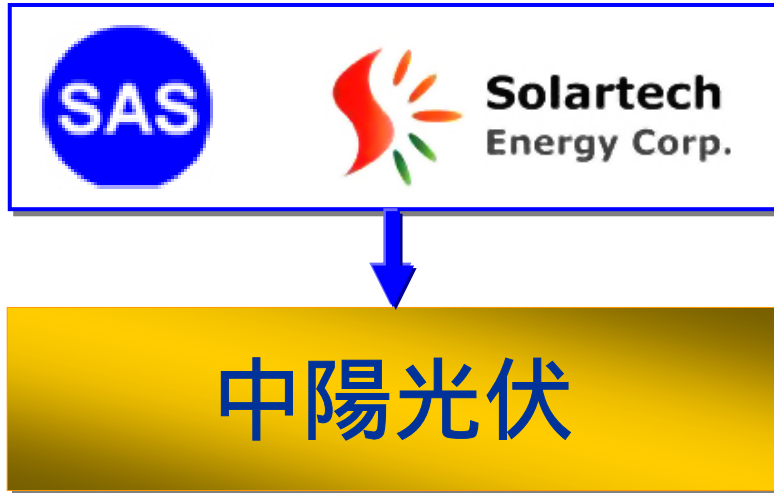
SAS Mid-term Solar Expansion Strategy

Partnership, rather than ownership !



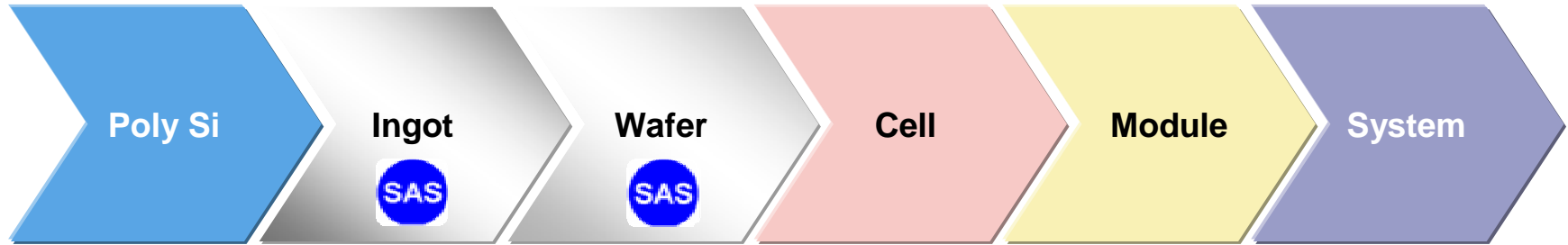
- Lower operating risk with enlarged synergy benefits mutual party
- Close integration with vendor and customer ties involved
- Benefit of economics scale and quicker inventory turnover.

JV Cooperation with Solartech



- **Location:** Taiwan
- **Business Model:** vertical processing from ingot growing, wafering to solar cell manufacturing
- **Ramp-up :** 2011~
- **First Stage Scale :** 1 GW

Vertical Integration on PV business



Strategic Investment in Value Chain

- SAS's shareholding in Sunrise Global has reached 25% via capital increase injection to strengthen mutual cooperation relation.
- Joint venture with Solartech to build synergy-oriented production line from ingot growing, wafering to solar cell manufacturing.



- **Location:** Taiwan
- **Ownership%:** 25%
- Majority of raw materials supplied by SAS
- High Efficiency Mono Solar Cell (>18%) Manufacturer

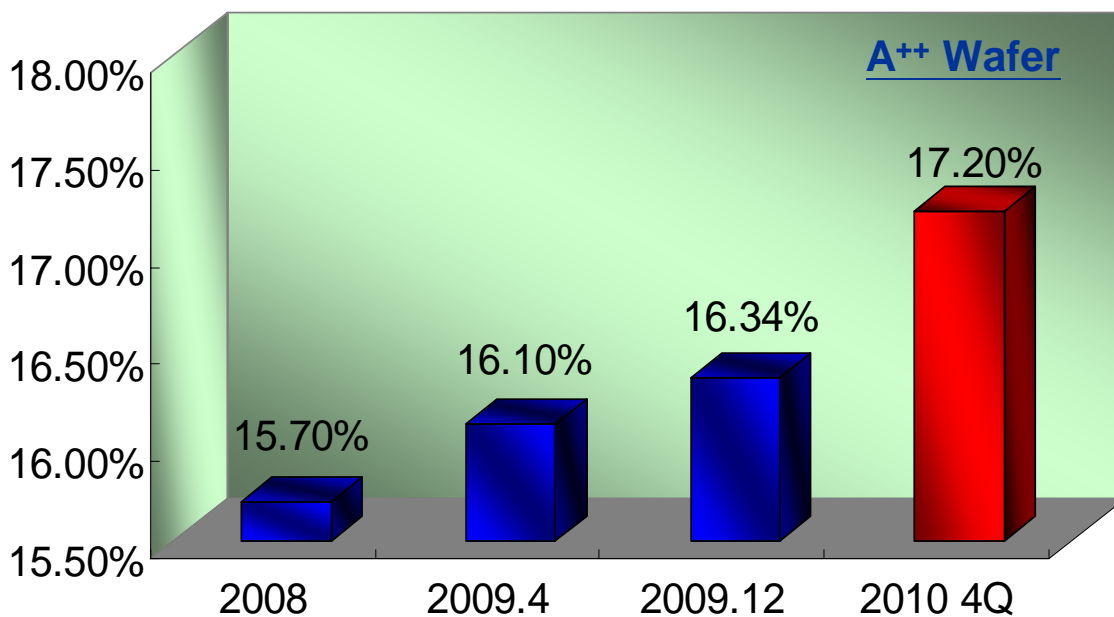
中陽光伏

- **Location:** Taiwan
- **JV Company Ownership%:** 45%
- 1GW capacity from ingot growing to solar cell



- **Location:** Italy
- **Ownership%:** 15%
- Completed 9 MW solar plant in Italy. Will build a 180MW module plant in Canada

A⁺⁺ Wafer launch in Q4



SAS begin to ship the new generation high conversion efficiency A++ wafer.

Global 4 Sites



Mid-Term New Expansion Plan

	Items	Target	Location	Ramp-Up Plan
1	Solar Vertical integration	A. 1GW B. 500MW~1GW	Taiwan	2011~
2	Semiconductor	>50% expansion	China, USA	2011~
3	Semiconductor	200mm Semiconductor wafer launch	Taiwan	2H 2011

4Q Outlook in SAS

- **Building new partnership business model for PV.**
- **Full utilization for all products.**
- **Positive prospects in semiconductor wafer sector.**
- **Remain high ASP in 4Q.**
- **High visibility on all business units for 1H11.**

Thank you !

<http://www.saswafer.com>

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