



**Sino-American Silicon Products Inc.**

**2021**  
**Annual General Shareholders' Meeting**  
**Meeting Handbook**

Time: June 24, 2021

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

Science Park Life Hub/Darwin Hall

Translation –In case of any discrepancy between the Chinese and English versions,  
the Chinese version shall prevail.

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**Sino-American Silicon Products Inc.**  
**2021 Annual General Shareholders' Meeting Procedure**

1. Call Meeting to Order
2. Chairperson's Address
3. Report Items
4. Approval Items
5. Discussion Items
6. Extemporary Motion
7. Meeting Adjourned

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

## **2021 Annual General Shareholders' Meeting Agenda**

Time: 9:00 a.m., Thursday, June 24, 2021

Place: 2F, No. 1. Industrial East Road 2, Hsinchu Science Park, Hsinchu

(Science Park Life Hub/Darwin Hall)

1. Call Meeting to Order
2. Chairperson's Address
3. Report Items
  - (1) 2020 business report
  - (2) Audit Committee's report on 2020 annual final accounting books and statements
  - (3) Report on 2020 remuneration distribution of employees & directors
  - (4) 2020 earning distribution
  - (5) Report on rejection on private placement of common shares after the expiration date
  - (6) Amendment to "Procedures for Ethical Management and Guidelines for Conduct"
4. Approval Items
  - (1) 2020 business report, financial statements and earning distribution
5. Discussion Items
  - (1) Amendment to the "Articles of Incorporation"
  - (2) Amendment to the "Rules for Election of Directors"
  - (3) Amendment to the "Acquisition or Disposal of Assets Procedure"
  - (4) Amendment to the "Policies and Procedures for Financial Derivatives Transactions"
  - (5) Discussion on issuance of new shares through public offering or private placement, in response to the Company's capital needs
6. Extemporaneous Motion
7. Meeting Adjourned

## Report Items

- Item 1** Fiscal 2020 Business Report submitted for review  
Please refer to the Fiscal 2020 Business Report as attachment 1 on page 11 of this handbook.
- Item 2** Audit Committee's report on 2020 annual final accounting books and statements submitted for review  
Please refer to the Audit Committee's 2020 Review Report as attachment 2 on page 17 of this handbook.
- Item 3** Distribution of remuneration to directors and employees in fiscal 2020, submitted for review
- (1) The company 2020 earning (Before deducting remuneration to employees and directors from Profit before Tax) is NTD 6,857,391,262. Pursuant to Article 27 of Articles of Incorporation, if the Company is profitable at the end of each fiscal year, 3~15% of the profit shall be appropriated for the employees' remuneration and no more than 3% shall be appropriated for directors' remuneration.
  - (2) The Company is proposed to distribute NTD 506,993,000 to employees (distribution ratio 7.39%) and NTD 45,740,000 to directors (distribution ratio 0.67%). Distribution to both employees and directors is made in cash.
  - (3) Qualification requirements of employees entitled to receive remuneration includes employees of the company and subsidiaries of the company meeting certain specific requirements. Remuneration amount will be decided after consideration with seniority, position, performance, contribution or special dedication, and chairperson is fully authorized.
- Item 4** Report on 2020 earning distribution, submitted for review  
The Company's Annual Shareholders' Meeting approved the amendments to its Articles of Incorporation on June 24, 2020 to authorize the Board of Directors to approve cash dividends at the close of each half fiscal year. The respective amounts and payment dates of 2020 cash dividends of each half year approved by the Board of Directors are demonstrated in the table below:

2020	Approval Date (month/date/year)	Payment Date (month/date/year)	Cash Dividends Per Share (NT\$)	Total Amount (NT\$)
First Half	12/10/2020	02/26/2021	3.5	2,051,775,779
Second Half	05/06/2021	08/13/2021	5.5	3,224,219,081
Total			9.0	5,275,994,860

- Item 5** Rejection on the private placement of common shares after the expiration date  
According to the resolution of AGM on June 24, 2020 and Article 43-6 of Securities Exchange Act, new shares within the issuance of 85,000,000 shares will be expired on June 23, 2021. Rejection will be conducted from the expiration date.
- Item 6** Amendments to “Procedures for Ethical Management and Guidelines for Conduct”  
In compliance with laws and operational needs of the Company, amendments have been made to the “Procedures for Ethical Management and Guidelines for Conduct”. Please refer to the comparison chart of the “Procedures for Ethical Management and Guidelines for Conduct” as attachment 5 on page 38 in this handbook.

## Approval Items

- Item 1** (Proposed by the Board of Directors)
- Motion 2020 business report, financial statements and earning distribution
- Description (1) To approve FY 2020 business report, financial statements and earning distribution 2020 Financial Statements were audited by KPMG CPAs, Chen-Chien Chen, and An-Chih Cheng. The aforementioned, FY 2020 Business Report and Earning Distribution Table have been approved by the Board and the Audit committee with review report.
- (2) Please refer to the Business Report, Financial Statements and Earning Distribution Table as attachment 1 on page 11, attachment 3 on page 18 and attachment 4 on page 37 of this handbook.
- (3) Approval requested.
- Resolution

## Discussion Items

- Item 1** (Proposed by the Board of Directors)
- Motion Amendment to the “Articles of Incorporation”
- Description (1) In compliance with the operational needs of the Company to add new business item, and in accordance with the letter No. 1090150022 of the special reserve allocation issued by the Financial Supervisory Commission on March 31, 2021, amendments have been made to the “Articles of Incorporation.” Please refer to the comparison chart of the Articles of Incorporation as attachment 6 on page 47 in this handbook.

(2) Resolution requested.

Resolution

**Item 2**

(Proposed by the Board of Directors)

Motion Amendment to the “Rules for Election of Directors”

Description (1) To be consistent with the latest regulation, the Company proposes to amend some articles in “Rules for Election of Directors.” Please refer to the comparison chart as attachment 7 on page 51 in this handbook.

(2) Resolution requested.

Resolution

**Item 3**

(Proposed by the Board of Directors)

Motion Amendment to the “Acquisition or Disposal of Assets Procedure”

Description (1) In compliance with the operational needs of the Company, the Company proposes to amend some articles in “Acquisition or Disposal of Assets Procedure.” Please refer to the comparison chart as attachment 8 on page 55 in this handbook.

(2) Resolution requested.

Resolution

**Item 4**

(Proposed by the Board of Directors)

Motion Amendment to the “Policies and Procedures for Financial Derivatives Transactions”

Description (1) In compliance with the operational needs of the Company that can only engage in hedging transactions, the Company proposes to amend some articles in “Policies and Procedures for Financial Derivatives Transactions.” Please refer to the comparison chart as attachment 9 on page 68 in this handbook.

(2) Resolution requested.

Resolution

**Item 5**

(Proposed by the Board of Directors)

Motion Discussion on issuance of new shares through public offering or private placement, in response to the Company’s capital needs

Description (1) To meet the development of alliance with major companies and to increase working capital, or overseas purchase, prepayment of bank loan, purchase of equipment and machinery for future needs, and long-term investments and/or others to improve competitiveness, the Company proposes to authorize the Board to issue new stocks up to 85,000,000 shares under appropriate

conditions and in determination of the method of stock issuance in common shares or in GDR for common shares or private placement for common shares, and adjustment of issuing size within the said quota at once or through installment (less than twice for private placement).

(2) Principles and Conducting of Raising Funds

1. 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 Chairperson to choose either book building or public application regarding underwriting and proceed as below:

I. Book Building

Unless otherwise the Article 267 of the company law to retain 10%-15% new issuance shares for the company employees, and the remaining 85%-90% according to the Securities and Exchange Act Rule 28-1, shall be all provided with public application in the book building method. In case the actual purchases of the reserved stock options for the employees falls short, the chairperson is authorized to negotiate with specific parties to purchase those shares at the issue price in accordance with the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms.

The issue price by the Taiwan Securities Association Rules Governing Issue Company raising and issuing securities (hereinafter "Discipline Principles") may not be lower than 90% of the average closing prices of common shares of the Company for either one, three, or five business days before either the date on which the application is filed at Taipei Exchange 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 Board of Directors will be authorized to negotiate with the lead underwriter to have actual price determined in light of market status.

II. Public Application Offering

Pursuant to the Article 267 of Company Act, 10%-15% of the new 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. For the issuance not subscribed by employees and the original shareholders in proportion or as a whole, the chairperson of the Board is to be authorized to negotiate with specific



parties to purchase shares at issuing price. The issue 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.

2. The issuance of GDR for the new common shares from cash capital increase
  - I. Pursuant to the Article 267 of Company Act, 10%-15% of the share issuance will be reserved for employees' preemptive subscription. For those stocks not subscribed by employees in proportion or as a whole, the chairperson of the Board is to be authorized to negotiate with specific parties to purchase 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 according to the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms.
  - II. The issuing price of new common shares for capital increase in cash or the issuing price of GDR for the new common shares from cash capital increase is to be determined based on general practices worldwide and it shall not affect shareholder's interests. However, the final issuing price is to be determined by the lead underwriter and the Chairman of the Board 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.
    - a. 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 at Taipei Exchange 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.

- b. For the rights of original shareholders, the issuance of new shares for cash capital increase up to 85,000,000 common shares will have the maximum dilution effect of at 14.50%. The funds raised from the capital increase in cash shall generate sustainable growth in Company's business; reinforce competitiveness, and surely benefit shareholders. GDR issue price is determined according to fair value domestically. Original shareholders may purchase common stock in domestic market at Taipei Exchange for the price close to GDR price, exempting from currency and fluidity risks. There is no huge impact on original shareholders.

3. Private placement for common shares for capital Increase by cash

The issuance plan of private placement for common shares is conducted pursuant to Article 43-6 of Securities Exchange Act and Directions for Public Companies Conducting Private Placements of Securities.

I. The necessity of private placement

- a. The reasons for not taking a public offering:

Consider the capital market status, effectiveness of financing, feasibility, issuance cost, and actual requirement of bringing in strategic investors. With the limit of no-trading period of 3 years, it is better to maintain a long-term relationship with strategic partners by such security issuance of private placement. Therefore, the Company proposed to raise capital through private placement, rather than public offering.

- b. The amount of the private placement:

Less than 85,000,000 shares.

- c. The capital usage plan and projected benefits of private placement:

In response to strategic alliance development or operational funds increase, overseas purchase, reimbursement of bank loan, purchase of machinery and equipment or reinvestment and any capital needs in the future, single or twice private placement at the maximum can be executed in terms of the market condition in order to bring in long-term funds at appropriate time

responding to the rapidly changing industry environment and strengthening the equity structure and competitiveness of the company.

II. The rationality to determine the price of private placement

The common stock price per share shall be no less than 80% of the reference price. The reference price is set as the higher of the following two basis prices:

- a. The average closing price from either 1, 3 or 5 days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction.
- b. The average price of 30 days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction.

The pricing date, actual issuance price are proposed to authorize the Board to determine after taking into consideration the market status, objective conditions. The price determination above shall follow regulations from government authorities.

III. The method to determine specific parties

No specific subscriber, selected in accordance with Article 43-6 of Security and Exchange Act, has been appointed for the private placement for common shares. The strategic investors have the priority to be considered as specific parties for private placement to meet the Company's needs on technology cooperation and operation strategy.

Relevant matters about specific subscribers shall be authorized to the chairman for full responsibility.

IV. The necessity of subscribers to be strategic investors and projected benefits

In responding to the need of a long-term development of the company, the strategic investors will meet the company's needs on technology cooperation, quality improvement, cost reduction, stable supplier source of key components, efficiency enhancement and market expansion through their skill, knowledge, brands or channels.

V. Rights and obligations for this private placement for common shares are basically the same with those of issued common shares of the company while according to the relevant rules of Security and Exchange Act, no-trading period of 3 years is to be followed. The private placement for common shares can be offered in public for trading after 3 years.

- VI. The issue price of the private placement for common shares (except the markup pricing), issuance conditions, issuance regulations etc. shall be proposed to authorize the Board to determine all related issues according to any changes in regulation, market or reviews from the authorities.
- (3) oval by the shareholders' meeting on the domestic capital increase by cash or the issuance of new shares and/or GDR for cash capital increase and/or the private placement for common shares, the Board is authorized to determine public offering or private placement of the issuance of common shares, conditions, volume, pricing, amount, fund usage, project items, project schedule, possible projected production benefits, record date for the capital increase and relevant matters of the private placement including commands from the authorities or market and objective environmental alteration, and others not included.
- (4) Rights and obligations about the issuance of new shares are the same with those of the issued.
- (5) Resolution required.

Resolution

## **Extemporary Motion**

## **Meeting Adjourned**

## **Attachment 1**

### **Sino-American Silicon Products Inc. 2020 Business Report**

Dear Shareholders,

Thank you for attending the 2021 Shareholders' Meeting of Sino-American Silicon Products Inc. we also appreciate the care and support extended by you to the Company.

The impacts from COVID-19 in 2020, with surges of infected cases, have forced countries to impose strict border control and curfew. Thus some projects were deferred, with various economic impacts at different levels in each industry. Other than the impacts from the pandemic, an occupational safety incident occurred in a major silicon material supplier at the mid-year. Thus, the solar energy industry had a tight supply that resulted in price raising broadly, also the cell and module exporters were under pressure from both upstream and downstream for the whole year. In the domestic market, Taiwan has planned the energy policies to establish a solar energy system for accumulative power of 20GW by 2025. Although the pandemic in Taiwan has been in check, the imported raw materials were mostly delayed due to COVID-19. The responsive measure taken by the government was to extend the date of meter installation for the feed-in tariff. This measure, however, resulted in the separation of the intensive installation tide that would have happened. With the new policy imposed by the Council of Agriculture on July 7th, the domestic land solar energy projects almost fully stalled. Such measures also forced some vendors to leave the industry or streamlined the workforce to enhance and improve their operational condition. In 2020, the domestic installation volume was about 1.3GW, far from the expected goal of 2.2GW by the government. In response to the market trends, other than adjusting the capacity, lowering inventory, and adjusting the product mix, the Company also actively grabs the domestic market and enhances the operating plans for reinvestments. With the collective efforts from our colleagues, and profit infusion from the subsidiary, GlobalWafers, Sino-American Silicon was able to overcome the challenges of the pandemic, achieved record-highs in terms of gross profit, operating profit, net income, and earnings per share (EPS). For 2020, the Group's consolidated revenue achieved NT\$61.40 billion, only 6.30% lower from the previous year's NT\$65.51 billion; the net profit attributable to the parent company was NT\$6.33 billion, and the EPS was NT\$10.82.

The operating results in 2020 and the business plan in 2021 are reported as follows:

#### **I. Operation Performance in 2020**

##### **(I) Operation Performance**

Unit: NT\$ thousands

Item \ Year	2020 (IFRSs)	2019 (IFRSs)	Percent Change (%)
Revenue	61,397,299	65,510,225	-6.28
Cost of Goods Sold	40,283,700	46,242,686	-12.89
Gross Profit	21,113,599	19,267,539	9.58
Operating Expense	6,181,502	5,752,118	7.46
Operating Income	14,932,097	13,515,421	10.48
Profit Before Tax	16,238,190	13,924,169	16.62
Net Profit	12,711,062	8,895,345	42.90
Net profit (Attributable to the parent company of the current period)	6,326,235	2,248,386	181.37

The operating environment in the whole solar energy industry was challenging in 2020. Externally, there were impacts from the pandemic; internally, there were impacts from new land policies imposed by the Council of Agriculture, in addition, the product size and efficiency of the monocrystal application also evolved rapidly. SAS continued to focus its solar power business on high-performance solar products with enhanced high-conversion efficiency and the differentiated application of polycrystalline ingots while improving cost control, discontinuing non-competitive products proactively and carefully selecting in choosing customers and strategic alliances, so as to boost operational efficiency and company competitiveness. In the reinvestment business, the Company also made outstanding achievements. The consolidated revenue of the semiconductor subsidiary GlobalWafers was NT\$55.36 billion, the net profit attributable to the parent company was NT\$13.10 billion, and the EPS was NT\$30.11.

(II) Budget Implementation: No financial forecast for 2020.

(III) Financial Income and Expenditure and Profitability Analysis

Item		2020	2019
Financial structure	Debt to asset ratio (%)	54.83	55.55
	Long-term funds to PPE (%) (PPE-plant, property, equipment)	182.30	196.70
Profitability analysis	Return on assets (%)	11.67	8.45
	Return on equity (%)	25.87	18.43
	Percentage in paid-up capital (%)	Operating Profit	254.72
		Pre-tax net Profit	230.55
	Net Profit Margin (%)	277.00	237.52
	After-tax earnings per share (NT\$)	20.70	13.58
		10.82	3.86

#### (IV) Financial Structure

(Expressed in NT\$ thousands)

2020 revenue is NT\$ 61,397,299; cost of goods sold is NT\$ 40,283,700. Operating expense is NT\$ 6,181,502. Non-business expenditure is NT\$ 1,306,093. Net profit before tax is NT\$ 16,238,190. Net profit is NT\$ 12,711,062. The financial structure is healthy.

#### (V) Research & Development

##### 1. 2020 Research & Development Expenditure

Unit: NT\$ thousands

Item/Year	2020	2019
Research and Development Expenses	1,742,108	1,844,789
Sales Revenue	61,397,299	65,510,225
R&D expenses as a percentage of net revenue (%)	2.84	2.82

##### 2. 2020 Achievement

Technology/Product

- (1) High quality multi-crystalline silicon materials products for silicon-based application
- (2) High efficiency p-type mono-si solar cell

##### 3. Future Plan

- (1) Development of large size ultra-high efficiency mono-Si solar cell technology

## II. 2021 Business Plan

### (I) Business Guideline

- (1) Actively seek the blue ocean market, and use excellent materials and process technology to develop a niche application market.
- (2) The Company is the leader in manufacturing and supplying monocrystal PERC P-type cells. which will accelerate the development of next-generation cells with low-cost and high-efficiency cells to maintain market competitiveness.
- (3) Shift from a pure manufacturer to the current diversified energy applications and services supplier, including energy storage and green power.
- (4) Utilize the Group's resources for vertical integration to expand the market and make profitable investment plans for power plants.

## (II) Sales Forecast

With the new green policies around the world, the self-announcements of environmental effects from enterprises, and the lowering prices of the solar modules, the global demands toward accelerated grid parity for solar energy will keep on growing. The domestic major power user act was also announced. Pv info Link analysts estimate that global solar power demand will reach 160GW in 2021 with 28% growth, and monocrystal high-efficiency products will become the mainstream trend. In view of this, the Company will closely grasp market and industry trends, adjust business strategies simultaneously, and develop the next generation super-efficient products to enhance the Company's operation competitiveness.

## (III) Production & Marketing Strategy

- (1) Develop new customers and strengthen cooperation with non-Chinese market regions to improve the ability for responding market changes.
- (2) Strengthen R&D links with downstream customers to develop efficient niche products with core technological capabilities.
- (3) Enhancing the added value and actively reduce manufacturing costs to increase profit margins
- (4) Explore the downstream system business, strengthen vertical integration and global layout, further expand the product market, and increase operating profit margin.

## (IV) Future Strategy

- (1) Continuously develop and enhance the quality-price ratio of solar products through technologies and product differentiation strategies, to solidify the competitive position.
- (2) Actively give play to the strategic layout of solar power plants, develop new solar energy system investment partners, and create the Group's terminal market to obtain long-term stable returns.
- (3) Establish a fully integrated supply chain in the upper, middle and lower reaches, spread operational risks through vertical integration and diversified business strategies, and become the world's provider of green energy solutions with leading technologies.

## (V) Influences from External Competition, Regulations and Economy

- (1) In response to a number of competitors and oversupply, the Company has accelerated the exploration of new customers and continued to develop new products with high cost effectiveness. At the same time, we also accelerate the integration of downstream system power stations to strengthen the downstream



market of the Group's products.

- (2) In order to cope with the impact of oversupply in the market, which causes price dropping of products, the Company will strengthen its R&D links with downstream customers and develop efficient niche products through core technology capabilities to increase the added value.
- (3) To accommodate the liberalization of the green power transaction market, assistance services provided by Taiwan Power Company, and the corporates' demands toward green power, the new energy strategy and opportunity development workforce has been established to meet the clients' new demands with the internal transformation.
- (4) Enhance confidentiality control and establish global core patent distribution strategy to improve international competitiveness and respond to market changes.

As the climate changes intensify, governments of various countries increase the proportion of renewable energies in energy utilization, and stipulate such increases in policies and legislation while striving to reduce carbon dioxide content. More and more companies also promise to fully apply renewable energies to supply their power, and further become the “negative emission” companies. It is obvious that the international consensus is to counter the climate changes and lower the greenhouse effect collectively. Renewable energies have become an irreversible trend in the world. Sino-American Silicon has complete solar energy production lines and has abundant experience in power station construction, maintenance, and operation. We will fully exploit our advantages while actively positioning for the innovative green economics, including highly efficient cells, power station establishment, management of maintenance and operation, and solutions for energy storage. With the reinvestment in the major automotive electronics company, Actron Technology, major III-nitride materials and GaN supplier, Advanced Wireless Semiconductor, and high-quality semiconductor special gas supplier, TSCS, Sino-American Silicon deepens the key investor positioning in the semiconductor industrial chain, which in turns diversifies the industrial structural risks. It will be translated into future economic effects. Look to the future, the robust operation in the major business, solar energy, and the addition of the subsidiary, GlobalWafers' outstanding performance, Sino-American Silicon's overall performance will have solidified roots for profitability. It is expected to steadily and robustly improve the operating results, achieve another operating outperformance, and become a green enterprise with stable growth in revenue and profit and sustainable development for higher value contributed to our shareholders.

Finally, I would like to thank all shareholders for their long-term support and encouragement. I

hope that all shareholders will continue to give the Company their love and support. On behalf of all our colleagues and the Board of Directors, I would like to express my sincere thanks.

I wish you good health and all the best.

Chairperson	Hsiu-Lan Hsu
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President	Tang-Liang Yao
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Chief Accounting	Hsiu-ling Hsu
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## **Attachment 2**

### **Audit Committee Review Report**

The Board of Directors has prepared the Company's 2021 Business Report, Consolidated and Standalone 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 Ann-chih Cheng, 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 audit committee of Sino-American Silicon Products Inc. According to Article 219 of the Company Law, I hereby submit this report.

Sino-American Silicon Products Inc.  
Audit Committee Convener:

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Chin-Tang Liu  
May 06, 2021

## Attachment 3

### Independent Auditors Report and Financial Statements

#### Independent Auditors' Report

To the Board of Directors of Sino-American Silicon Products Inc.:

#### Opinion

We have audited the consolidated financial statements of Sino-American Silicon Products Inc. and its subsidiaries ( "the Group" ), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on the audit results of the accountant and the audit report of other accountants the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ( "IFRSs" ), International Accounting Standards ( "IASs" ), Interpretations developed by the International Financial Reporting Interpretations Committee ( "IFRIC" ), and the former Standing Interpretations Committee ( "SIC" ) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ( "the Code" ), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on the audit results of the accountant and the audit report of other accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this audit report are as follows:

##### 1. Revenue recognition

Please refer to note 4(15) "Revenue recognition" for accounting policy and note 6(22) "Revenue from contracts with customers" of the consolidated financial statements for further information.

Description of key audit matter:

The Group's semiconductor segment revenues are derived from the sales of semiconductor materials and components. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. In consideration of the high volume of sales transactions generated from world-wide operations, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding of revenue recognition policies and assessing whether revenue recognition policies are appropriate based on sales terms and revenue recognition criteria; understanding the design and process of implementation of internal controls and testing operating effectiveness; testing selected sales samples and agreeing to customer orders, delivery note and related documentation supporting sales recognition; testing sales cut-off, on a sample basis, for transactions incurred within a certain period before or after the balance sheet date by reviewing related sales terms, inspecting delivery documents, and other related supporting document to evaluate whether the revenue was recorded in proper period.

2. Impairment assessment of property, plant and equipment (including right-of-use assets)

Please refer to note 4(13) "Impairment of non-financial assets" for accounting policy; note 5(1) for property, plant and equipment impairment assessment, and note 6(10) "Property, plant and equipment" and 6(11) "Right-of-use assets" for further details".

Description of key audit matter:

The industry in which the solar power business unit of the Group is located is subjected to fluctuations due to the market environment and the energy policies of various governments, accompanied by fierce market competition and continuous price reduction of products. Therefore, the assessment of impairment loss on property, plant and equipment is critical. The impairment assessment of assets includes the identification of cash-generating units. The assessment is one of the key audit matters because it is complicated and contains subjective judgment from the management, such as determining the method of evaluation, selecting key assumptions and calculating recoverable amounts.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included assessing whether the cash-generating unit and its related tested assets identified by the management to impair show possible signs of impairment, and further understanding and testing the evaluation models and key assumptions such as future cash flow projections, useful lives and weighted average cost of capital that the management used in the impairment test, including expected product revenue, costs and expenses, and assessing the accuracy of prior years management forecasts; and performing sensitivity analysis based on key factors. Furthermore, inquiries with top management is in place in order to identify whether there are any events capable of affecting the impairment test result after year end. Assess whether the Group has properly disclosed the policy of long-term non-financial asset impairment and other related information.

3. Impairment of goodwill

Please refer to the note 4(13) "Impairment of non-financial assets" for accounting policy, note 5(2) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" for impairment assessment, and note 6(12) "Intangible assets" for further details.

#### Description of key audit matter:

The Group is in a capital intensive industry, with goodwill arising from business combinations. Moreover, the Group operates in an industry in which the operations are easily influenced by various external factors, such as market conditions and governmental policies. Therefore, the assessment of impairment of goodwill is necessary. The assessment procedures, including identification of cash-generating units, valuation models, selection of key assumptions and calculations of recoverable cash inflows, depend on the management's subjective judgments, which contained uncertainty in accounting estimations. Consequently, this is one of the key areas in our audit.

#### How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included assessing triggering events identified by management for impairment indicators existing in a cash-generating unit, assessing whether the assumptions used for evaluating the recoverable amount are reasonable; evaluating the achievement of prior year financial forecasts; inspecting the calculations of recoverable amounts; assessing the assumptions used for calculating recoverable amounts and cash flow projections; performing sensitivity analysis based on key factors; assessing whether the accounting policies for goodwill impairment and other relevant information have been appropriately disclosed.

#### **Other Matter**

Sino-American Silicon Products Inc. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unqualified opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2020 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Chien Chen and An-Chih Cheng.

KPMG

Taipei, Taiwan (Republic of China)

March 18, 2021

#### **Notes to Readers**

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

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



(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)  
Sino-American Silicon Products Inc. and subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 23,812,590	22	34,901,425	32	2100	Short-term borrowings (notes 6(13) and 8)	\$ 10,771,000	10	11,465,075	11
1110	Financial assets at fair value through profit or loss — current (note 6(2))	5,656,668	5	1,883,576	2	2120	Financial liabilities at fair value through profit or loss — current (note 6(2))	45,953	-	216,700	-
1136	Financial assets measured at amortized cost — current (note 6(4) and 7)	277,895	-	240,068	-	2130	Contract liabilities — current (notes 6(22) 7, and 9)	3,763,986	3	4,128,893	4
1170	Notes and accounts receivable, net (note 6(5))	8,332,156	8	8,434,249	7	2170	Notes and accounts payable	4,182,542	4	4,171,687	4
1180	Accounts receivable due from related parties, net (note 7)	75,253	-	72,965	-	2180	Accounts payable to related parties (note 7)	21,852	-	8,008	-
130X	Inventories (note 6(6))	7,928,638	7	7,398,293	7	2201	Payroll and bonus payable	3,183,647	3	2,851,934	3
1476	Other financial assets — current (notes 8 and 9)	5,588,505	5	913,823	1	2250	Provisions-current (notes 6(16) and 9)	243,646	-	232,256	-
1479	Other current assets	1,019,319	1	1,321,234	1	2230	Current tax liabilities	2,092,828	2	2,692,745	2
Total current assets		52,691,024	48	55,165,633	50	2216	Dividends payable	3,751,986	3	-	-
Non-current assets:						2322	Long-term borrowings, current portion (notes 6(14) and 8)	32,752	-	-	-
1513	Financial assets at fair value through profit or loss — non-current (note 6(2))	117,204	-	95,163	-	2399	Other current liabilities (notes 6(15) and 7)	4,466,937	3	4,393,096	4
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(3))	484,630	-	332,185	-	Non-Current liabilities:		32,557,129	28	30,160,394	28
1535	Financial assets at amortised cost, net — non-current (notes 6(4) and 7)	-	-	267,612	-	2527	Contract liabilities — non-current (notes 6(22), 7 and 9)	14,132,126	13	17,280,344	16
1550	Investments accounted for using equity method (note 6(7))	7,158,811	6	3,248,537	3	2540	Long-term borrowings (notes 6(14) and 8)	1,048,064	1	-	-
1600	Property, plant and equipment (notes 6(10) and 8)	42,455,037	39	40,276,715	37	2550	Provisions — non-current(notes 6(16) and 9)	4,041,851	4	4,674,648	4
1755	Right-of-use assets (note 6(11))	832,865	1	913,609	1	2570	Deferred tax liabilities (note 6(18))	4,974,407	5	4,813,876	4
1780	Intangible assets (note 6(12))	2,797,463	3	3,227,583	3	2600	Other non-current liabilities (note 6(15))	1,045,615	1	887,803	1
1840	Deferred tax assets (note 6(18))	2,312,821	2	1,927,636	2	2640	Net defined benefit liabilities (note 6(17))	2,484,107	2	2,950,390	3
1980	Other financial assets — non-current (note 8)	306,137	-	3,140,806	3	Total liabilities		27,726,170	26	30,607,061	28
1990	Other non-current assets (note 8)	796,789	1	788,017	1	Equity (notes 6(19) and (20)):		60,283,299	54	60,767,455	56
Total non-current assets		57,261,757	52	54,217,863	50	3110	Ordinary shares	5,862,217	5	5,862,367	5
						3170	Share capital not yet written down	-	-	(150)	-
								5,862,217	5	5,862,217	5
						3200	Capital surplus	19,481,234	18	21,072,595	19
						3310	Legal reserve	721,476	1	462,354	-
						3320	Special reserve	1,330,419	1	513,302	1
						3350	Unappropriated retained earnings	4,161,346	4	2,591,235	2
								6,213,241	6	3,566,891	3
						3400	Other equity interest	(3,395,866)	(3)	(3,831,462)	(3)
						Total equity attributable to shareholders of the Company		28,160,826	26	26,670,241	24
						36XX	Non-controlling interests (note 6(8))	21,508,656	20	21,945,800	20
						Total equity		49,669,482	46	48,616,041	44
						Total liabilities and equity		\$ 109,952,781	100	109,383,496	100
Total assets		\$ 109,952,781	100	109,383,496	100						

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)  
**Sino-American Silicon Products Inc. and subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		2020		2019	
		Amount	%	Amount	%
4000	<b>Operating revenue</b> (notes 6(22) and 7)	\$ 61,397,299	100	65,510,225	100
5000	<b>Operating costs</b> (notes 6(6), (15), (17), (23) and 7)	40,283,700	66	46,242,686	71
	<b>Gross profit from operations</b>	21,113,599	34	19,267,539	29
	<b>Operating expenses</b> (notes 6(15), (17), (23) and 7):				
6100	Selling expenses	1,431,684	2	1,396,627	2
6200	Administrative expenses	3,020,051	5	2,513,345	4
6300	Research and development expenses	1,742,108	3	1,844,789	3
6450	Expected credit losses (gains) (note 6(5))	(12,341)	-	(2,643)	-
	<b>Total operating expenses</b>	6,181,502	10	5,752,118	9
	<b>Net operating income</b>	14,932,097	24	13,515,421	20
	<b>Non-operating income and expenses:</b>				
7100	Interest income (notes 6(24) and 7)	259,875	-	757,732	2
7020	Other gains and losses (note 6(25))	1,177,485	2	145,853	-
7050	Finance costs	(105,939)	-	(150,407)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (note 6(7))	(25,328)	-	(344,430)	(1)
		1,306,093	2	408,748	1
	<b>Income before income tax</b>	16,238,190	26	13,924,169	21
7950	Less: Income tax expense (note 6(18))	3,527,128	5	5,028,824	7
	<b>Net income</b>	12,711,062	21	8,895,345	14
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(17))	(254,213)	-	179,386	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	88,257	-	5,450	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(18))	(38,521)	-	120,951	-
		(127,435)	-	63,885	-
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign operations	(139,362)	-	(1,535,230)	(2)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method (note 6(26))	731,896	1	269,600	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(18))	(33,505)	-	(305,271)	-
		626,039	1	(960,359)	(2)
8300	<b>Other comprehensive income (after tax)</b>	498,604	1	(896,474)	(2)
	<b>Total comprehensive income</b>	<b>\$ 13,209,666</b>	<b>22</b>	<b>7,998,871</b>	<b>12</b>
	<b>Net income attributable to:</b>				
	Owners of the Company	\$ 6,326,235	11	2,248,386	4
	Non-controlling interests	6,384,827	10	6,646,959	10
		<b>\$ 12,711,062</b>	<b>21</b>	<b>8,895,345</b>	<b>14</b>
	<b>Total comprehensive income attributable to:</b>				
	Owners of the Company	\$ 6,627,194	11	1,774,007	3
	Non-controlling interests	6,582,472	11	6,224,864	9
		<b>\$ 13,209,666</b>	<b>22</b>	<b>7,998,871</b>	<b>12</b>
	<b>Earnings per share</b> (NT dollars) (note 6(21))				
	Basic earnings per share	<b>\$ 10.82</b>		<b>3.86</b>	
	Diluted earnings per share	<b>\$ 10.71</b>		<b>3.83</b>	

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings							Other equity interest							
	Share capital		Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Gains (losses) from equity instrument measured at fair value through other comprehensive income	Unearned compensation cost	Others	Total other equity interest	Total	Non-controlling interests	Total equity
	Ordinary shares	not yet written down													
Balance at January 1, 2019	\$ 5,863,207	(330)	21,757,292	311,579	513,302	1,507,753	2,332,634	(1,586,241)	(1,406,132)	(75,334)	(3,380)	(3,071,087)	26,881,716	21,032,149	47,913,865
Net income for the year	-	-	-	-	-	2,248,386	2,248,386	-	-	-	-	-	2,248,386	6,646,959	8,895,345
Other comprehensive income for the year	-	-	-	-	-	29,819	29,819	(638,103)	133,905	-	-	(504,198)	(474,379)	(422,095)	(896,474)
Comprehensive income for the year	-	-	-	-	-	2,278,205	2,278,205	(638,103)	133,905	-	-	(504,198)	1,774,007	6,224,864	7,998,871
Appropriation and distribution of retained earnings:															
Legal reserve	-	-	-	150,775	-	(150,775)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(1,356,963)	(1,356,963)	-	-	-	-	-	(1,356,963)	-	(1,356,963)
Cash dividends distribution from capital surplus	-	-	(401,900)	-	-	-	-	-	-	-	-	-	(401,900)	-	(401,900)
Changes in equity of associates accounted for using equity method	-	-	(279,229)	-	-	-	-	-	-	-	112	112	(279,117)	1,984	(277,133)
Changes in equity of subsidiaries accounted for using equity method	-	-	(21)	-	-	-	-	-	-	-	-	-	(21)	(447)	(468)
Due to donated assets received	-	-	228	-	-	-	-	-	-	-	-	-	228	-	228
Compensation cost of issued restricted stock awards	-	-	(3,115)	-	-	-	-	-	-	56,726	-	56,726	53,611	-	53,611
Share retirement and awaiting retirement held for expiration of restricted stock awards	(840)	180	(660)	-	-	-	-	-	-	-	-	-	(1,320)	-	(1,320)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	313,015	313,015	-	(313,015)	-	-	(313,015)	-	-	-
Cash dividends from subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,312,750)	(5,312,750)
Balance at December 31, 2019	5,862,367	(150)	21,072,595	462,354	513,302	2,591,235	3,566,891	(2,224,344)	(1,585,242)	(18,608)	(3,268)	(3,831,462)	26,670,241	21,945,800	48,616,041
Net income for the year	-	-	-	-	-	6,326,235	6,326,235	-	-	-	-	-	6,326,235	6,384,827	12,711,062
Other comprehensive income for the year	-	-	-	-	-	(113,136)	(113,136)	(100,694)	514,789	-	-	414,095	300,959	197,645	498,604
Comprehensive income for the year	-	-	-	-	-	6,213,099	6,213,099	(100,694)	514,789	-	-	414,095	6,627,194	6,582,472	13,209,666
Appropriation and distribution of retained earnings:															
Legal reserve	-	-	-	259,122	-	(259,122)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	817,117	(817,117)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(3,566,749)	(3,566,749)	-	-	-	-	-	(3,566,749)	-	(3,566,749)
Cash dividends from capital surplus	-	-	(1,416,136)	-	-	-	-	-	-	-	-	-	(1,416,136)	-	(1,416,136)
Changes in equity of associates accounted for using equity method	-	-	(176,098)	-	-	-	-	-	-	-	2,893	2,893	(173,205)	-	(173,205)
Changes in equity of subsidiaries accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,252)	(6,252)
Due to donated assets received	-	-	873	-	-	-	-	-	-	-	-	-	873	-	873
Compensation cost of issued restricted stock awards	-	-	-	-	-	-	-	-	-	18,608	-	18,608	18,608	-	18,608
Share retirement for expiration of restricted stock wards	(150)	150	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends from subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,013,364)	(7,013,364)
Balance at December 31, 2020	\$ 5,862,217	-	19,481,234	721,476	1,330,419	4,161,346	6,213,241	(2,325,038)	(1,070,453)	-	(375)	(3,395,866)	28,160,826	21,508,656	49,669,482

See accompanying notes to consolidated financial statements.

**Sino-American Silicon Products Inc. and subsidiaries****Consolidated Statements of Cash Flows****For the years ended December 31, 2020 and 2019****(Expressed in Thousands of New Taiwan Dollars)**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 16,238,190	13,924,169
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expenses	5,791,202	5,030,426
Amortization expenses	356,495	364,830
Expected credit gains	(12,341)	(2,643)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(457,709)	286,287
Interest expenses	105,939	150,407
Interest income	(259,875)	(757,732)
Dividend income	(13,216)	(9,477)
Share-based compensation cost	18,608	53,611
Shares of loss of associates and joint ventures accounted for using equity method	25,328	344,430
Losses on disposal of property, plant and equipment	1,126	23,276
Gains on disposal of investments	(34,165)	(72,584)
Losses on disposal of intangible assets	-	1,141
Recognition (reversal) of impairment losses on financial assets	(22,519)	25,973
Recognition (reversal) of write-down of inventory	79,390	(109,158)
Recognition (reversal) of impairment losses on non-financial assets	444,064	(8,779)
Recognition (reversal) of losses on liability provision	(632,014)	3,883,063
<b>Total adjustments</b>	<b>5,390,313</b>	<b>9,203,071</b>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable (including related parties)	112,146	1,374,487
Inventories	(609,735)	592,232
Prepayments	59,349	4,248
Other financial assets	(20,104)	70,638
Other operating assets	257,359	(325,743)
Notes and accounts payable (including related parties)	24,699	(1,055,681)
Contract liabilities	(3,513,125)	(2,037,234)
Net defined benefit liabilities	(173,424)	(3,293)
Other current liabilities	(146,809)	(229,612)
<b>Total changes in operating assets and liabilities</b>	<b>(4,009,644)</b>	<b>(1,609,958)</b>
<b>Total adjustments</b>	<b>1,380,669</b>	<b>7,593,113</b>
Cash inflow generated from operations	17,618,859	21,517,282
Interest received	258,838	782,061
Dividends received	13,216	9,477
Interest paid	(106,332)	(159,532)
Income taxes paid	(3,203,771)	(3,318,168)
<b>Net cash flows generated from operating activities</b>	<b>14,580,810</b>	<b>18,831,120</b>

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)  
**Sino-American Silicon Products Inc. and subsidiaries**  
**Consolidated Statements of Cash Flows(Continued)**  
**For the years ended December 31, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(95,357)	(197,610)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	553,385
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	12,561	28,239
Acquisition of financial assets at amortised cost	-	(250,000)
Proceeds from disposal of financial assets at amortised cost	250,000	-
Acquisition of financial assets at fair value through profit or loss	(5,611,917)	(1,907,850)
Proceeds from disposal of financial assets at fair value through profit or loss	2,103,746	194,245
Acquisition of investments accounted for using equity method	(3,958,110)	(1,132,310)
Proceed from disposal of investments accounted for using equity method	516,948	-
Cash dividends from investment accounted for using equity method	99,406	55,068
Net cash inflow from subsidiaries	-	166,668
Acquisition of property, plant and equipment	(9,168,800)	(7,719,440)
Proceeds from disposal of property, plant and equipment	105,647	105,349
Acquisition of intangible assets	(3,631)	-
Increase in other financial assets	(1,816,568)	(3,067,397)
<b>Net cash flows used in investing activities</b>	<b>(17,566,075)</b>	<b>(13,171,653)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans	676,375	2,163,041
Repayments of long-term borrowings	(237,741)	(2,040,200)
Decrease in guarantee deposits	(156,243)	(145,179)
Repayment of the principal portion of lease liabilities	(198,464)	(201,027)
Cash dividends and capital surplus distribution cash dividends paid	(2,931,109)	(1,758,863)
Restricted employee stock write-down	-	(1,320)
Change in non-controlling interests	(6,252)	(468)
Donation surplus	873	228
Distribution of cash dividends for non-controlling interests	(5,313,154)	(5,312,750)
<b>Net cash flows used in financing activities</b>	<b>(8,165,715)</b>	<b>(7,296,538)</b>
Effect of exchange rate changes on cash and cash equivalents	62,145	(290,635)
Net increase (decrease) in cash and cash equivalents	(11,088,835)	(1,927,706)
Cash and cash equivalents at beginning of period	34,901,425	36,829,131
Cash and cash equivalents at end of period	<b>\$ 23,812,590</b>	<b>34,901,425</b>

## **Independent Auditors’ Report**

To the Board of Directors of Sino-American Silicon Products Inc.:

### **Opinion**

We have audited the financial statements of Sino-American Silicon Products Inc.( “the Company” ), which comprise the balance sheets as of December 31, 2020 and 2019, the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its parent-company-only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the parent-company-only Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ( “the Code” ), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. Impairment assessment of property, plant and equipment (including right-of-use assets)

Please refer to note 4(13) “ Impairment of non-financial assets” for the accounting policy; note 5(2) of the financial statements for impairment assessment of property, plant and equity (included right-of-use assets), and note 6(9) “Property , plant and equipment” and note 6(10) “Right-of-use asset” for further details .

#### Description of key audit matters:

The industry in which the solar power business unit of the Company is subjected to fluctuations due to the market environment and the energy policies of various governments, accompanied by fierce market competition and continuous price reduction of products. Therefore, the assessment of impairment loss on property, plant and equipment is critical; the impairment assessment of assets includes the identification of cash-generating unit. The assessment is one of the key audit matters because it is complicated and contains subjective judgment from the management, such as determining the method of evaluation, selecting key assumptions and calculating recoverable amounts.

#### How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included assessing whether the cash-generating unit and its related tested assets identified by the management to impair show possible signs of impairment, and further understanding and testing the evaluation models and key assumptions such as future cash flow projections, useful lives and weighted average cost of capital that the management used in the impairment test, including expected product revenue, costs and expenses, and assessing the accuracy of prior years management forecasts; and performing sensitivity analysis based on key factors. Furthermore, inquiries with top management is in place in order to identify whether there are any events capable of affecting the impairment test result after year end. Assess whether the Company has properly disclosed the policy of long-term non-financial asset impairment and other related information.

## 2. Evaluation of investments accounted for using the equity method

For the accounting policies of the assessment of the investment under equity method, please refer to note 4 (8) "Investment-related enterprises" and note 4(9) "Investment in subsidiaries" in the financial statements; for the assessment of the investment under equity method, please refer to the financial statements of note 6(7) "Investments accounted for using equity method" and note 6(8) "Changes in the equity of ownership of the subsidiary" .

#### Description of key audit matters:

The Company holds a 51.17% stake in the equity-investment subsidiary (GlobalWafers Co., Ltd.). Given that the subsidiary GlobalWafers Co., Ltd. is mainly derived from corporate mergers and acquisitions, plus GlobalWafers' industry is subjected to fluctuations in the market environment and other factors. The recognition of the revenue of subsidiaries and the assessment of goodwill impairment arising from corporate mergers and acquisitions are important. It is booked as one of the important audit matters by our accountants.

#### How the matter was addressed in our audit:

The principal audit procedures performed by the accountant for the recognition of revenue related to investment under equity method include understanding the accounting policies adopted for the revenue used; assessing the design of the internal control system of sales revenue; and sampling and testing individual transactions to support the appropriateness of the recognition of revenue. The principal audit procedures for the goodwill impairment assessment include: assessing the cash-generating unit that the management has identified to impair and signs of impairment; assessing the reasonableness of the management's method of measuring the recoverable amount; assessing the accuracy of management's past forecasts; reviewing management's calculation of the recoverable amount of cash-generating units; evaluating various assumptions that future cash flow projections and calculating recoverable amount use, and the sensitivity analysis of the key assumptions.

## **Responsibilities of Management and Those Charged with Governance for the Parent-company-only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements and for such internal control as management determines is necessary to enable the preparation of standalone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Parent-company-only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2020 parent-company-only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Chien, Chen and An-Chih, Cheng.

KPMG

Taipei, Taiwan (Republic of China)

March 18, 2021

#### **Notes to Readers**

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

**Sino-American Silicon Products Inc.**

**Balance Sheets**

**December 31, 2020 and 2019**

**(Expressed in Thousands of New Taiwan Dollars)**

		<b>December 31, 2020</b>		<b>December 31, 2019</b>				<b>December 31, 2020</b>		<b>December 31, 2019</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>			<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>						<b>Liabilities and Equity</b>					
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(1))	\$ 781,889	2	1,256,788	4	2100	Short-term borrowings (notes 6(11) and 8)	\$ 900,000	2	200,000	1
1136	Financial assets measured at amortized cost — current (notes 6(4) and 7)	277,895	1	240,068	1	2120	Financial liabilities at fair value through profit or loss — current (note 6(2))	-	-	68	-
1170	Notes and accounts receivable, net (note 6(5))	264,031	1	199,042	-	2130	Contract liabilities — current (notes 6(20), 7 and 9)	131,785	-	88,538	-
1180	Accounts receivable due from related parties, net (note 7)	2,341,134	6	632,572	2	2170	Notes and accounts payable	518,817	1	500,893	1
130X	Inventories (note 6(6))	456,448	1	335,641	1	2180	Accounts payable to related parties (note 7)	195,297	1	2,516	-
1421	Prepayments to suppliers (notes 7 and 9)	46,206	-	42,242	-	2201	Payroll and bonus payable	739,758	2	340,216	1
1479	Other current assets	111,362	-	38,391	-	2216	Dividends payable	2,051,776	6	-	-
		4,278,965	11	2,744,744	8	2250	Provisions — current (notes 6(14))	221,949	1	221,949	1
						2399	Other current liabilities (notes 6(13) and 7)	335,149	1	363,601	1
								5,094,531	14	1,717,781	5
<b>Non-current assets:</b>						<b>Non-Current liabilities:</b>					
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(3))	6,095	-	6,095	-	2527	Contract liabilities — non-current (note 6(20), 7 and 9)	1,044,068	3	1,115,657	3
1535	Financial assets at amortised cost — non-current (notes 6(4) and 7)	-	-	267,612	1	2550	Provisions — non-current (notes 6(14) and 9)	3,992,895	10	4,622,950	14
1550	Investments accounted for using equity method (note 6(7))	30,588,097	81	27,794,246	81	2600	Other non-current liabilities (notes 6(13), (15) and (16))	154,630	-	161,745	-
1600	Property, plant and equipment (notes 6(9) and 8)	3,265,859	8	3,226,668	10			5,191,593	13	5,900,352	17
1755	Right-of-use assets (note 6(10))	180,240	-	154,567	-			10,286,124	27	7,618,133	22
1900	Other non-current assets (notes 6(15) and (16))	85,130	-	74,308	-		<b>Total liabilities</b>				
1980	Other financial assets — non-current(note 8)	42,564	-	20,134	-		<b>Equity</b> (notes 6(17) and (18)):				
		34,167,985	89	31,543,630	92	3110	Ordinary shares	5,862,217	15	5,862,367	17
						3170	Share capital not yet written down	-	-	(150)	-
								5,862,217	15	5,862,217	17
								19,481,234	51	21,072,595	61
						3200	Capital surplus				
							Retained earnings:				
						3310	Legal reserve	721,476	2	462,354	1
						3320	Special reserve	1,330,419	3	513,302	2
						3350	Unappropriated retained earnings	4,161,346	11	2,591,235	8
								6,213,241	16	3,566,891	11
						3400	Other equity interest	(3,395,866)	(9)	(3,831,462)	(11)
							<b>Total equity</b>	28,160,826	73	26,670,241	78
							<b>Total liabilities and equity</b>	\$ 38,446,950	100	34,288,374	100
<b>Total assets</b>		<b>\$ 38,446,950</b>	<b>100</b>	<b>34,288,374</b>	<b>100</b>						

See accompanying notes to parent company only financial statements.

**Sino-American Silicon Products Inc.**  
**Statements of Comprehensive Income**

**For the years ended December 31, 2020 and 2019**

**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		<b>2020</b>		<b>2019</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue</b> (notes 6(20) and 7)	\$ 5,430,346	100	6,002,885	100
5000	<b>Operating costs</b> (notes 6(6), (13), (15), (21) and 7)	5,248,059	97	9,895,050	165
	<b>Gross profit (loss) from operations</b>	182,287	3	(3,892,165)	(65)
	<b>Operating expenses</b> (notes 6(13), (15), (21) and 7):				
6100	Selling expenses	72,192	1	50,701	1
6200	Administrative expenses	500,307	9	314,914	5
6300	Research and development expenses	101,957	2	111,769	2
6450	Expected credit losses (gains) (notes 6(5) and 7)	881	-	(6,671)	-
	<b>Total operating expenses</b>	675,337	12	470,713	8
	<b>Net operating loss</b>	(493,050)	(9)	(4,362,878)	(73)
	<b>Non-operating income and expenses:</b>				
7100	Interest income (notes 6(22) and 7)	18,982	-	38,385	-
7020	Other gains and losses (notes 6(23) and 7)	139,280	3	103,546	2
7050	Finance costs (notes 6(24) and 7)	(7,577)	-	(25,064)	-
7060	Share of profit of associates and joint ventures accounted for using equity method (note 6(7))	6,647,023	122	6,572,359	109
		6,797,708	125	6,689,226	111
	<b>Income before income tax</b>	6,304,658	116	2,326,348	38
7950	Less: Income tax expense (note 6(16))	(21,577)	-	77,962	1
	<b>Net income</b>	6,326,235	116	2,248,386	37
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(15))	(5,666)	-	(169)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes 6(17))	398,280	8	(7,997)	-
8330	Share of gains (losses) on remeasurements of defined benefit plans of subsidiaries accounted for using equity method	(107,470)	(2)	29,988	-
		285,144	6	21,822	-
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign operations (note 6(17))	(122,701)	(2)	(635,972)	(10)
8380	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss. (note 6(25))	120,189	2	134,905	2
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(16))	(18,327)	-	(4,866)	-
		15,815	-	(496,201)	(8)
8300	<b>Other comprehensive income (after tax)</b>	300,959	6	(474,379)	(8)
	<b>Total comprehensive income</b>	<b>\$ 6,627,194</b>	<b>122</b>	<b>1,774,007</b>	<b>29</b>
	<b>Earnings per share (NT dollars) (note 6(19))</b>				
9750	Basic earnings per share	<b>\$ 10.82</b>		<b>3.86</b>	
9850	Diluted earnings per share	<b>\$ 10.71</b>		<b>3.83</b>	

See accompanying notes to parent company only financial statements.

**Sino-American Silicon Products Inc.**  
**Statements of Changes in Equity**  
**For the years ended December 31, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings						Other equity interest						
	Ordinary shares	Share capital not yet written down	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Gains (losses) on equity instrument measured at fair value through other comprehensive income	Unearned compensation cost	Others	Total other equity interest	Total equity
Balance at January 1, 2019	\$ 5,863,207	(330)	21,757,292	311,579	513,302	1,507,753	2,332,634	(1,586,241)	(1,406,132)	(75,334)	(3,380)	(3,071,087)	26,881,716
Net income for the year	-	-	-	-	-	2,248,386	2,248,386	-	-	-	-	-	2,248,386
Other comprehensive income for the year	-	-	-	-	-	29,819	29,819	(638,103)	133,905	-	-	(504,198)	(474,379)
Comprehensive income for the year	-	-	-	-	-	2,278,205	2,278,205	(638,103)	133,905	-	-	(504,198)	1,774,007
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	-	150,775	-	(150,775)	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(1,356,963)	(1,356,963)	-	-	-	-	-	(1,356,963)
Cash dividends distribution from capital surplus	-	-	(401,900)	-	-	-	-	-	-	-	-	-	(401,900)
Changes in equity of associates accounted for using equity method	-	-	(279,229)	-	-	-	-	-	-	-	112	112	(279,117)
Due to donated assets received	-	-	228	-	-	-	-	-	-	-	-	-	228
Changes in equity of subsidiaries accounted for using equity method	-	-	(21)	-	-	-	-	-	-	-	-	-	(21)
Compensation cost of issued restricted stock awards	-	-	(3,115)	-	-	-	-	-	-	56,726	-	56,726	53,611
Share retirement for expiration of restricted stock awards	(840)	180	(660)	-	-	-	-	-	-	-	-	-	(1,320)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	313,015	313,015	-	(313,015)	-	-	(313,015)	-
Balance at December 31, 2019	5,862,367	(150)	21,072,595	462,354	513,302	2,591,235	3,566,891	(2,224,344)	(1,585,242)	(18,608)	(3,268)	(3,831,462)	26,670,241
Net income for the year	-	-	-	-	-	6,326,235	6,326,235	-	-	-	-	-	6,326,235
Other comprehensive income for the year	-	-	-	-	-	(113,136)	(113,136)	(100,694)	514,789	-	-	414,095	300,959
Comprehensive income for the year	-	-	-	-	-	6,213,099	6,213,099	(100,694)	514,789	-	-	414,095	6,627,194
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	-	259,122	-	(259,122)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	817,117	(817,117)	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(3,566,749)	(3,566,749)	-	-	-	-	-	(3,566,749)
Cash dividends from capital surplus	-	-	(1,416,136)	-	-	-	-	-	-	-	-	-	(1,416,136)
Changes in equity of associates accounted for using equity method	-	-	(176,098)	-	-	-	-	-	-	-	2,893	2,893	(173,205)
Due to donated assets received	-	-	873	-	-	-	-	-	-	-	-	-	873
Compensation cost of issued restricted stock awards	-	-	-	-	-	-	-	-	-	18,608	-	18,608	18,608
Share retirement for expiration of restricted stock awards	(150)	150	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2020	\$ 5,862,217	-	19,481,234	721,476	1,330,419	4,161,346	6,213,241	(2,325,038)	(1,070,453)	-	(375)	(3,395,866)	28,160,826

See accompanying notes to parent company only financial statements.

**Sino-American Silicon Products Inc.**  
**Statements of Cash Flows**  
**For the years ended December 31, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 6,304,658	2,326,348
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expenses	486,204	491,332
Expected credit losses (gains)	881	(6,671)
Net loss on financial assets or liabilities at fair value through profit or loss	-	68
Interest expenses	7,577	25,064
Interest income	(18,982)	(38,385)
Dividend income	(2,210)	(5,340)
Share-based compensation cost	18,608	53,611
Shares of profit of subsidiaries and associates accounted for using equity method	(6,647,023)	(6,572,359)
Gains on disposal of property, plant and equipment	(10,242)	(30,812)
Gains on disposal of investments	(34,165)	-
Recognition (reversal) of impairment losses on financial assets	(22,519)	25,973
Reversal of write-down of inventory	(31,954)	(239,254)
Recognition (reversal) of impairment losses on non-financial assets	444,064	(8,779)
Recognition (reversal) of losses on liability provision	(630,055)	3,884,607
<b>Total adjustments</b>	<b>(6,439,816)</b>	<b>(2,420,945)</b>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable (including related parties)	(1,822)	322,629
Inventories	(84,742)	493,783
Prepayments	(16,832)	503,320
Net defined benefit assets	(42)	(40)
Other operating assets	29,512	50,933
Decrease in financial liabilities held for trading	(68)	-
Notes and accounts payable (including related parties)	(6,906)	65,520
Contract liabilities	(128,350)	(47,548)
Other operating liabilities	346,282	(130,928)
<b>Total changes in operating assets and liabilities</b>	<b>137,032</b>	<b>1,257,669</b>
<b>Total adjustments</b>	<b>(6,302,784)</b>	<b>(1,163,276)</b>
Cash inflow generated from operations	1,874	1,163,072
Interest received	21,155	35,049
Dividends received	2,210	5,340
Interest paid	(6,937)	(26,482)
Income taxes paid	(5,222)	(2,757)
<b>Net cash flows generated from operating activities</b>	<b>13,080</b>	<b>1,174,222</b>

(Continued)

See accompanying notes to parent company only financial statements.

**Sino-American Silicon Products Inc.**  
**Statements of Cash Flows(Continued)**  
**For the years ended December 31, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(197,610)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	474,207
Acquisition of financial assets at amortised cost	-	(250,000)
Proceeds from disposal of financial assets at amortised cost	250,000	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	98,344
Decrease in intercompany loan	15,872	477,076
Acquisition of investments accounted for using equity method	(4,208,110)	(1,019,487)
Proceeds from disposal of investments accounted for using equity method	516,948	-
Cash dividends from investment accounted for using equity method	5,649,312	5,606,733
Acquisition of property, plant and equipment	(967,687)	(113,682)
Proceeds from disposal of property, plant and equipment	17,239	57,258
Decrease (Increase) in other financial assets	(2,600)	13,348
Cash flows from mergering	306,232	-
<b>Net cash flows generated from in investing activities</b>	<b>1,577,206</b>	<b>5,146,187</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans	700,000	(2,517,125)
Increase in notes from related parties	192,950	-
Repayments of long-term borrowings	-	(1,610,200)
Increase in guarantee deposits	6	762
Repayment of the principal portion of lease liabilities	(27,905)	(28,407)
Cash dividends and capital surplus distribution cash dividends paid	(2,931,109)	(1,758,863)
Restricted employee stock write-down	-	(1,320)
Donated Surplus	873	228
<b>Net cash flows used in financing activities</b>	<b>(2,065,185)</b>	<b>(5,914,925)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(474,899)</b>	<b>405,484</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,256,788</b>	<b>851,304</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 781,889</b>	<b>1,256,788</b>

See accompanying notes to parent company only financial statements.

## Attachment 4

### Sino-American Silicon Products Inc. PROFIT DISTRIBUTION TABLE Year 2020

(Unit: NT\$)

Items	Amount	
<b>Beginning retained earnings</b>		<b>23,319</b>
Plus (Less)		
Current change on defined benefit remeasurements	(113,136,690)	
2020 net income	6,326,234,880	6,213,098,190
<b>Beginning unappropriated retained earnings</b>		<b>6,213,121,509</b>
Plus (Less)		
Provision as legal reserve		
2020H accumulated provision	(290,064,473)	
2020 provision for discrepancy	(331,245,346)	(621,309,819)
Reversal (Provision) of equity deduction special reserve		
Prior period - 2020H accumulated provision	(23,319)	
This period - 2020H accumulated provision	(534,980,234)	
This period - 2020 reversal for discrepancy	534,980,234	(23,319)
Item of distribution		
Share dividends-cash		
2020 interim earnings that were distributed (NTD 3.5 per share)	(2,051,775,779)	
2020 earnings to be distributed (NTD 5.5 per share)	(3,224,219,081)	(5,275,994,860)
<b>Ending unappropriated earnings</b>		<b>315,793,511</b>
Note 2020H interim earnings that were distributed: Provision as legal reserve NT\$ 290,064,473. Special reserve NT\$ 535,003,553. Resolved cash dividend to be distributed NT\$ 2,051,775,779.		

Chairperson: Hsiu-Lan Hsu

President: Tang-Liang Yao

Chief Accounting: Hsiu-Ling Hsu

## Attachment 5

### Sino-American Silicon Products Inc.

#### Comparison Chart of Procedures for Ethical Management and Guidelines for Conduct

Article	Before	After	Remark
1	<p><b>(Purpose of Adoption and Scope of Application)</b> (Above omitted) This "Procedures and Guidelines" applies as well to the Corporation's subsidiaries, any foundation to which the Corporation's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the Corporation.</p>	<p><b>(Purpose of Adoption and Scope of Application)</b> (Above omitted) This "Procedures and Guidelines" applies as well to the Corporation's subsidiaries, any foundation to which the Corporation's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the Corporation, <u>except when otherwise stipulated by the foregoing defined entities.</u></p>	Scope of application additionally specified.
5	<p><b>(Responsible Unit)</b> The Corporation shall designate the <u>legal department</u> as the solely responsible unit (hereinafter, "responsible unit") in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. Main functions shall include the following items and shall be regularly reported to the board:</p> <ol style="list-style-type: none"> <li>1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption</li> </ol>	<p><b>(Responsible Unit)</b> The Corporation shall designate the <u>compliance section</u> as the solely responsible unit (hereinafter, "responsible unit"), <u>with sufficient resource and eligible personnel</u>, in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. Main functions shall include the following items and shall be regularly <u>at least once a year</u> reported to the board:</p> <ol style="list-style-type: none"> <li>1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption</li> </ol>	Revision of responsible unit and wordings considering current work allocation and TPEX template published in February, 2020.



Article	Before	After	Remark
	<p>and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business.</p> <p>(Below omitted)</p>	<p>and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business <u>by regularly analyze and assess risks of unethical conduct pursuant to Paragraph 1 of Article 21 of this "Procedures and Guidelines"</u>.</p> <p>(Omitted)</p> <p>7. <u>Establish and properly keep relevant documents as the "Statement of Compliance with the Ethical Management Policy" and records of implementation and enforcement.</u></p>	
6	<p><b>(Prohibition against Provision or Acceptance of Improper Benefits)</b> (Above omitted)</p> <p>6. Property with a market value of NT\$5000 or more received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative shall be subject to prior approval of the <u>responsibility</u> unit. In the event that the property is</p>	<p><b>(Prohibition against Provision or Acceptance of Improper Benefits)</b> (Above omitted)</p> <p>6. Property with a market value of NT\$5000 or more received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative shall be subject to prior approval of the <u>responsible</u> unit. In the event that the property is received</p>	<p>Revision of wording pursuant to the term used in Article 5.</p>

Article	Before	After	Remark
	received due to no liability reason, it shall be reported to <u>responsible</u> unit for ratification afterwards. (Below omitted)	due to no liability reason, it shall be reported to <u>responsible</u> unit for ratification afterwards. (Below omitted)	
9	<p><b>(Procedures for Handling Political Contributions)</b></p> <p>Political contributions by the Corporation shall be made in accordance with the following provisions, reported to the chairman in charge for approval, <u>and a notification given to the responsible unit, and</u> when the amount of a contribution is NT\$1,000,000 or more, it shall be made only after being reported to and approved by the board of directors:</p> <p>1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.</p> <p>(Below omitted)</p>	<p><b>(Procedures for Handling Political Contributions)</b></p> <p>Political contributions by the Corporation shall be made in accordance with the following provisions, reported to the chairman in charge for approval; when the amount of a contribution is NT\$1,000,000 or more, it shall be made only after being reported to and approved by the board of directors:</p> <p>1. It shall be ascertained <u>by compliance section prior to having the contribution at issue reported to the chairperson</u> that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.</p> <p>(Below omitted)</p>	Adjustments made to better serve ethical management purpose by coordinating with empirical operation.
10	<p><b>(Procedures for Handling Charitable Donations or Sponsorships)</b></p> <p>Charitable donations or sponsorships by the Corporation shall be provided in accordance with the following provisions and reported to the chairman in charge for approval, <u>and a notification shall be given to the</u></p>	<p><b>(Procedures for Handling Charitable Donations or Sponsorships)</b></p> <p>Charitable donations or sponsorships by the Corporation shall be provided in accordance with the following provisions and reported to the chairman in charge for approval. When the amount is NT\$5,000,000 or more,</p>	Adjustments made to better serve ethical management purpose by coordinating with empirical operation.

Article	Before	After	Remark
	<p><u>responsible unit</u>. When the amount is NT\$5,000,000 or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:</p> <p>1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Corporation is doing business.</p> <p>(Below omitted)</p>	<p>the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:</p> <p>1. It shall be ascertained <u>by compliance section prior to having the donation or sponsorship at issue reported to the chairperson</u> that the donation or sponsorship is in compliance with the laws and regulations of the country where the Corporation is doing business.</p> <p>(Below omitted)</p>	
11	<p><b>(Avoidance of Conflict of Interest)</b></p> <p>When a Company director , officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting , that director, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director.</p>	<p><b>(Avoidance of Conflict of Interest)</b></p> <p>When a Company director , officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a <u>matter</u> in the meeting , that director, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a director, or any</u></p>	<p>New content added and wording revised pursuant to paragraph 2 and 3 of article 206 of the “Company Act” currently applicable.</p>

Article	Before	After	Remark
	(Below omitted)	<u>company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u> (Below omitted)	
14	<u>(Prohibition against Insider Trading)</u>  <u>All Company personnel shall adhere to the provisions of the Securities and Exchange Act and international standards, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.</u>	<u>(Prevention of Products and Services from Damaging Stakeholders)</u> <u>This Corporation shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of this Corporation to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.</u> <u>This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.</u> <u>Where there are media reports, or sufficient facts to determine, that this Corporation's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders,</u>	Content added pursuant to article 16 of this Corporation's "Ethical Corporate Management Best Practice Principles".

Article	Before	After	Remark
		<p><u>this Corporation shall, within 60 days, recall those products or suspend the services, verify the facts and present a review and improvement plan.</u></p> <p><u>The responsible unit of this Corporation shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.</u></p>	
15	<p><b>(Non-disclosure Agreement)</b></p> <p>(Below omitted)</p>	<p><b>(<u>Prohibition against Insider Trading</u> and Non-disclosure Agreement)</b></p> <p><u>All Corporation personnel shall adhere to the provisions of the Securities and Exchange Act and international standards, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.</u></p> <p>(Below omitted)</p>	Content relocated here from original article 14.
16	<p><b>(Public Disclosure of Ethical Management Policy)</b></p> <p>The Corporation shall disclose its policy of ethical management in its internal rules, annual reports,</p>	<p><b>(<u>Compliance with and</u> Public Disclosure of Ethical Management Policy)</b></p> <p><u>The Corporation shall demand that its directors and managements declare a “Statement of Compliance with the Ethical Management Policy”, and through employment agreement require its employees to comply with Ethical Management Policy.</u></p> <p>The Corporation shall disclose its policy of ethical management in its internal rules, annual reports,</p>	Content added pursuant to article 8 of this Corporation’s “Ethical Corporate Management Best Practice Principles” and modify the title.

Article	Before	After	Remark
	on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.	on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.	
21	<p><b>(Risk Assessment Mechanism against Unethical Conduct)</b></p> <p>Regarding the listed types of unethical conducts as stipulated in Article 7 of the Corporation's "Ethical Corporate Management Best Practice Principles", the Corporation identifies subjects at a higher risk of getting involved in the foregoing by collecting information from controlling measures as follows and analyzing/assessing annually such information prior to the end of June, and continuously reviews the adequacy and effectiveness of the prevention program:</p> <ol style="list-style-type: none"> <li>1. Entrance Access Control: Security guards and receptionists shall report visitors' identity, <u>frequency of visit</u>, visitee, purpose of visit, and personal belongings brought in and out of facility;</li> <li>2. E-mail Tracing: Information management unit shall set up alerting keywords with respect to external recipients and senders, keep records for detective results and report</li> </ol>	<p><b>(Risk Assessment Mechanism against Unethical Conduct)</b></p> <p>Regarding the listed types of unethical conducts as stipulated in Article 7 of the Corporation's "Ethical Corporate Management Best Practice Principles", the Corporation identifies subjects at a higher risk of getting involved in the foregoing by collecting information from controlling measures as follows and analyzing/assessing annually such information prior to the end of June, and continuously reviews the adequacy and effectiveness of the prevention program:</p> <ol style="list-style-type: none"> <li>1. Entrance Access Control: Security guards and receptionists shall, <u>when abnormality is detected</u>, report visitors' identity, visitee, purpose of visit, and personal belongings brought in and out of facility;</li> <li>2. E-mail Tracing: Information management unit shall set up alerting keywords with respect to external recipients and senders, keep records for detective results and report</li> </ol>	Adjustments made to better serve ethical management purpose by taking empirical needs into consideration.

Article	Before	After	Remark
	<p>abnormalities;</p> <p>3. Qualitative Interviews: Intellectual property unit shall identify issues having potentially a high risk of infringement, human resource unit shall provide a list of new employees having a high litigation risk;</p> <p>4. Annual Self-Assessment on Compliance with Laws and Regulations: Review and ensure each and every unit fully complies with external laws and regulations.</p> <p>5. Report on Complaints: In case that products or services provided by the Corporation cause damage to consumers or other stakeholders and complaints of such are received, sales unit shall immediately report such cases to compliance section.</p> <p>(Below omitted)</p>	<p>abnormalities;</p> <p>3. Qualitative Interviews: Intellectual property unit shall identify issues having potentially a high risk of infringement, human resource unit shall provide a list of new employees having a high litigation risk;</p> <p>4. Annual Self-Assessment on Compliance with Laws and Regulations: Review and ensure each and every unit fully complies with external laws and regulations.</p> <p>5. Report on Complaints: In case that products or services provided by the Corporation cause damage to consumers or other stakeholders and complaints of such are received, sales unit shall immediately report such cases to compliance section.</p> <p>6. <a href="#"><u>President's office and human resource department of the Corporation shall notify in advance compliance section of political and charitable donation about to be made and offer relevant information.</u></a></p> <p>(Below omitted)</p>	
26	<p><a href="#"><u>The</u></a> Procedures and Guidelines were approved on March 22<sup>th</sup>, 2016.</p> <p>The 1<sup>st</sup> amendment was made on March 21<sup>th</sup>, 2019.</p> <p>The 2<sup>nd</sup> amendment was made on November 12, 2019.</p>	<p>This "Procedures and Guidelines" was approved on March 22, 2016.</p> <p>The 1<sup>st</sup> amendment was made on March 21, 2019.</p> <p>The 2<sup>nd</sup> amendment was made on November 12, 2019.</p> <p><a href="#"><u>The 3<sup>rd</sup> amendment was made on August 6, 2020.</u></a></p>	Incorporating the date of latest amendment.

Article	Before	After	Remark
		<a href="#"><u>The 4<sup>th</sup> amendment was made on November 5, 2020.</u></a>	



## Attachment 6

### Sino-American Silicon Products Inc.

#### Comparison Chart of Articles of Incorporation

Article	Before	After	Remark
2	<p>The Company shall engage in the following business:</p> <p>CC01080 Electronic Parts and Components Manufacturing</p> <p>C801990 Other Chemical Materials Manufacturing</p> <p>IG03010 Energy-related Technology and Service</p> <p>F119010 Electronic Materials Wholesale (restricted to areas outside Hsinchu Science Park)</p> <p>F219010 Electronic Materials Retail (restricted to areas outside Hsinchu Science Park)</p> <p>F401010 International Trade</p>	<p>The Company shall engage in the following business:</p> <p>CC01080 Electronic Parts and Components Manufacturing</p> <p>C801990 Other Chemical Materials Manufacturing</p> <p>IG03010 Energy-related Technology and Service</p> <p>F119010 Electronic Materials Wholesale (restricted to areas outside Hsinchu Science Park)</p> <p>F219010 Electronic Materials Retail (restricted to areas outside Hsinchu Science Park)</p> <p>F401010 International Trade</p> <p><a href="#"><u>A101020 Growing of Crops (restricted to areas outside Hsinchu Science Park)</u></a></p> <p><a href="#"><u>A102020 Agricultural Products Preparations (restricted to areas outside Hsinchu Science Park)</u></a></p> <p><a href="#"><u>A102050 Crops Cultivation (restricted to areas outside Hsinchu Science Park)</u></a></p> <p><a href="#"><u>A102060 Food Dealers (restricted to areas outside Hsinchu Science Park)</u></a></p> <p><a href="#"><u>A199990 Other Agriculture (restricted to areas outside Hsinchu Science Park)</u></a></p> <p><a href="#"><u>A301030 Aquaculture (restricted to areas outside Hsinchu Science Park)</u></a></p> <p><a href="#"><u>A301040 Recreational Fishery (restricted to areas outside Hsinchu Science Park)</u></a></p> <p><a href="#"><u>A302010 Overseas Fisheries Cooperation (restricted to areas outside Hsinchu Science</u></a></p>	<p>Add business item to meet the needs of the company operations.</p>

Article	Before	After	Remark
		<u>Park)</u> <u>A302020 Fisheries Service</u> <u>(restricted to areas outside</u> <u>Hsinchu Science Park)</u> <u>A399990 Other Fisheries</u> <u>(restricted to areas outside</u> <u>Hsinchu Science Park)</u> <u>C103050 Manufacturing of</u> <u>Canning, Freezing,</u> <u>Dehydration, Pickled of Food</u> <u>(restricted to areas outside</u> <u>Hsinchu Science Park)</u> <u>CC01010 Manufacture of</u> <u>Power Generation,</u> <u>Transmission and Distribution</u> <u>Machinery</u> <u>D101060 Self-usage power</u> <u>generation equipment</u> <u>utilizing renewable energy</u> <u>industry</u> <u>E601010 Electric</u> <u>Appliance Construction</u> <u>E603010 Cable Installation</u> <u>Engineering</u> <u>F101050 Wholesale of Fishery</u> <u>Products (restricted to areas</u> <u>outside Hsinchu Science Park)</u> <u>F101990 Wholesale of Other</u> <u>Agricultural, Livestock and</u> <u>Aquatic Products (restricted</u> <u>to areas outside Hsinchu</u> <u>Science Park)</u> <u>F213040 Retail Sale of</u> <u>Precision Instruments</u> <u>(restricted to areas outside</u> <u>Hsinchu Science Park)</u> <u>H703100 Real Estate Leasing</u> <u>(restricted to areas outside</u> <u>Hsinchu Science Park)</u> <u>I101070 Agriculture, Forestry,</u> <u>Fishing and Livestock</u> <u>Consulting (restricted to areas</u> <u>outside Hsinchu Science Park)</u> <u>I103060 Management</u> <u>Consulting</u> <u>I301010 Information Software</u>	

Article	Before	After	Remark
	<p>Research and development, design, manufacture and sell the following products:</p> <ol style="list-style-type: none"> <li>1. Silicon-based semiconductor materials and their components</li> <li>2. Varistor</li> <li>3. Photovoltaic and communication materials</li> <li>4. Silicone Compound</li> <li>5. The technology, management and advisory business related to the products listed above</li> <li>6. Photovoltaic system integration and installation services</li> <li>7. Import-export activities related to the above mentioned business</li> </ol>	<p><u>Services</u></p> <p><u>I301030 Electronic Information Supply Services</u></p> <p><u>IG01010 Biotechnology Services (restricted to areas outside Hsinchu Science Park)</u></p> <p>Research and development, design, manufacture and sell the following products:</p> <ol style="list-style-type: none"> <li>1. Silicon-based semiconductor materials and their components</li> <li>2. Varistor</li> <li>3. Photovoltaic and communication materials</li> <li>4. Silicone Compound</li> <li>5. The technology, management and advisory business related to the products listed above</li> <li>6. Photovoltaic system integration and installation services</li> <li>7. Import-export activities related to the above mentioned business</li> </ol>	
27-1	<p>If the Company has surplus after the yearly accounting closed, following taxes and offsets to the accumulated loss, another 10% shall be appropriated as legal reserve by laws. While no appropriation shall be made, if the legal reserve has reached the amount of the paid-in capital of the Company. The remaining amount shall be appropriated or transferred to special reserve according to laws and the rest along with the accumulated surplus may be proposed by the board of directors.</p> <p>The Company, in accordance with No.240-5 of the Articles of Incorporation, may authorize the distributable dividends and bonuses</p>	<p>If the Company has surplus after the yearly accounting closed, following taxes and offsets to the accumulated loss, another 10% shall be appropriated as legal reserve by laws. While no appropriation shall be made, if the legal reserve has reached the amount of the paid-in capital of the Company. The remaining amount shall be appropriated or transferred to special reserve according to laws and the rest along with the accumulated surplus may be proposed by the board of directors.</p> <p>The Company, in accordance with No.240-5 of the Articles of Incorporation, may authorize the</p>	<p>In accordance with the letter No. 1090150022 issued by the Financial Supervisory Commission on March 31, 2021, stated that the allocation method of special reserve for net deduction from equity in prior period.</p>

Article	Before	After	Remark
	<p>in whole or in part to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.</p> <p>In order to maintain continuous operating of the Company and steady growth of its surplus per share, dividend for shareholders shall more than 50% of the profit after tax deducting from the appropriation of special surplus <a href="#">of the year by the regulations</a> and the distribution rate of the dividend for shareholders shall be no less than 50% of the cash dividend.</p>	<p>distributable dividends and bonuses in whole or in part to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.</p> <p>In order to maintain continuous operating of the Company and steady growth of its surplus per share, dividend for shareholders shall more than 50% of the profit after tax deducting from the appropriation of special surplus and the distribution rate of the dividend for shareholders shall be no less than 50% of the cash dividend.</p> <p><a href="#">When the same amount of special reserve allocated from the beginning unappropriated retained earnings is insufficient to cover the accumulation of net deduction from other equity interest, to allocate special reserve from beginning unappropriated retained earnings plus net income and account from other comprehensive income.</a></p>	
29	<p>This <a href="#">a</a>rticles of Incorporation is established on Dec 25<del>th</del>, 1980 (Omit)</p> <p>The 32nd amendment on June 24th, 2020.</p> <p>Implement after approvals from the meeting of stockholders</p>	<p>This <a href="#">A</a>rticles of Incorporation is established on Dec 25, 1980. (Omit)</p> <p>The 32<sup>nd</sup> amendment on June 24, 2020. <a href="#">The 33<sup>rd</sup> amendment on June 24, 2021.</a></p> <p>Implement after approvals from the meeting of stockholders.</p>	Add amendment date.

## Attachment 7

### Sino-American Silicon Products Inc.

#### Comparison Chart of Rules for Election of Directors

Article	Before	After	Remark
1	Unless otherwise provided in the Company Law or the Articles of Incorporation of this Company, the independent and non-independent directors of this Company shall be elected in accordance with the rules specified herein.	Unless otherwise provided in the Company Law, <u>or the Securities and Exchange Act, or related laws,</u> or the Articles of Incorporation of this Company, the independent and non-independent <u>D</u> irectors of this Company shall be elected in accordance with the rules specified herein.	Rephrase.
2	Election of directors of this Company shall be held at the shareholders' meeting. The board of directors shall prepare ballots and <u>note the number of voting rights.</u>	Election of <u>D</u> irectors of this Company shall be held at the shareholders' meeting. The <u>B</u> oard of <u>D</u> irectors shall prepare ballots <u>which to be numbered based on the attendance card number. Each ballot shall contain the votes that the voter is entitled to in the election.</u>	Merge with Article 6 from previous version.
	<u>Article 6 from former version</u> The Board of Directors shall prepare ballots and distribute one ballot to each shareholder identified by his/her attendance card number. Each ballot shall contain the votes that the voter is entitled to in the election.	<u>Delete</u>	Merge with Article 2.
6	<u>Article 7 from former version</u> At the beginning of the election, the Chair <u>man</u> shall appoint several persons <u>each</u> to <u>check and</u> record the ballots. <u>The persons to check the ballots may be appointed from among the shareholders present.</u>	<u>Before</u> the beginning of the election, the Chair <u>person</u> shall appoint several persons to record the ballots <u>and appoint several persons with shareholder status to perform the respective duties.</u>	Reorder and rephrase.
	<u>Article 9 from former version</u> <u>If the candidate is a shareholder of</u>	<u>Delete</u>	Director election adopts candidate

Article	Before	After	Remark
	<p><u>this Company, voters shall fill in the "candidate" column the candidate's name and shareholder's number. If the candidate is not a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and the candidate's ID number. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of their representative(s) should be filled in the column. If there are several representatives, each of the representatives' names must be filled in.</u></p>		<p>nomination system. Shareholders shall choose directors from the candidates list.</p> <p>Shareholders can learn nominee's name, educational background, work experience and other information from the candidate list before the shareholders' meeting.</p> <p>Shareholder account number or ID number is used as the method to identify the candidates.</p> <p>The above narratives are unnecessary, thus delete this article.</p>
8	<p><b><u>Article 10 from former version</u></b></p> <p>Ballots shall be deemed void under the following conditions:</p> <ol style="list-style-type: none"> <li>1. Ballots not prepared by <u>the Board of Directors</u>;</li> <li>2. <u>The number of candidates filled in the ballot exceeding the number of the seats to be elected.</u></li> <li>3. <u>Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID number);</u></li> <li>4. The handwriting on the ballots is too illegible to be identified or is altered;</li> </ol>	<p>Ballots shall be deemed void under the following conditions:</p> <ol style="list-style-type: none"> <li>1. <u>The</u> ballot <u>was</u> not prepared by <u>a person with the right to convene</u>;</li> <li>2. <u>A blank ballot is placed in the ballot box</u>;</li> <li>3. The handwriting on the ballots is too illegible to be identified or is altered;</li> </ol>	<p>Modify Article 1 based on following description:</p> <p>In accordance with Article 173 of the Company Act, shareholder(s) can obtain approval from the competent authority under certain circumstances (e.g. the board of directors fails to give a notice for convening a special meeting), the</p>

Article	Before	After	Remark
	<p>5. <u>If the candidate is a shareholder of this Company, the name or shareholder's number of the candidate filled in the ballot inconsistent with the shareholders' register. If the candidate is not a shareholder of this Company, the name or ID number of the candidate filled in the ballot is incorrect;</u></p> <p>6. <u>Ballots without being filled in candidate's name or shareholder's number (ID number).</u></p>	<p>4. <u>The candidate filled in the ballot is inconsistent with the list of director candidates;</u></p> <p>5. <u>In addition to filling in the allotted voting rights, ballots contain other written characters;</u></p> <p>6. <u>Fill in two or more candidates on one ballot.</u></p>	<p>proposing shareholder(s) may convene a special meeting of shareholders on his/their own.</p> <p>Move Article 2 to Article 5 and reorder them based on following description:</p> <p>Director election adopts candidate nomination system. Shareholders shall choose directors from the candidates list.</p>
9	<p><b><u>Article 11 from former version</u></b></p> <p>The ballots should be calculated during the meeting right after the vote casting <u>and</u> the results of the election should be announced by the Chair<u>man</u> at the meeting.</p>	<p>The ballots should be calculated during the meeting right after the vote casting, the results of the election <u>and the numbers of voting rights with which they were elected</u> should be announced by the Chair<u>person</u> or the designee at the meeting.</p> <p><u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</u></p>	Reorder and rephrase.
7	<b><u>Article 8 from former version</u></b>	<b><u>Article 7 (Omit)</u></b>	Reorder.

Article	Before	After	Remark
10	<a href="#"><u>(Omit)</u></a> <a href="#"><u>Article 12 from former version</u></a>	<a href="#"><u>Article 10 (Omit)</u></a>	
11	<a href="#"><u>(Omit)</u></a> <a href="#"><u>Article 13 from former version</u></a> <a href="#"><u>(Omit)</u></a>	<a href="#"><u>Article 11 (Omit)</u></a>	
12	<a href="#"><u>Article 14 from former version</u></a> This Procedure was enacted on June 26, 2014.	This Procedure was enacted on June 26, 2014. <a href="#"><u>The 1<sup>st</sup> amendment was made on June 24, 2021.</u></a>	Add amendment date.



## Attachment 8

### Sino-American Silicon Products Inc.

#### Comparison Chart of Acquisition or Disposal of Assets Procedure

Article	Before	After	Remark
2	<p>The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> <li>Investments in 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.</li> <li>Real property (including land, houses and buildings, investment property, <u>and construction enterprise inventory</u>) and equipment.</li> <li>Memberships.</li> <li>Patents, copyrights, trademarks, franchise rights, and other intangible assets.</li> <li>Right-of-use assets.</li> <li><u>Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</u></li> <li>Derivatives.</li> <li>Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</li> <li>Other major assets.</li> </ol>	<p>The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> <li>Investments in 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.</li> <li>Real property (including land, houses and buildings, investment property) and equipment.</li> <li>Memberships.</li> <li>Patents, copyrights, trademarks, franchise rights, and other intangible assets.</li> <li>Right-of-use assets.</li> <li>Derivatives.</li> <li>Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</li> <li>Other major assets.</li> </ol>	Delete inapplicable items to the company.
3	<p><b>Operating Procedures</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>The Company's acquisition or disposal of assets shall be</li> </ol>	<p><b>Operating Procedures</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>The Company's acquisition or disposal of assets shall be</li> </ol>	Modify security investment ceilings based on operational requirements. Reorder and rephrase.

Article	Before	After	Remark
	<p>made in accordance with the Procedure.</p> <p>3. Amount limits for investment in non-operational purpose fixed assets or right-of-use assets, and securities are as below:</p> <p>(1) The total amount of any real property or right-of-use assets purchased by the Company not for use in business operations may not exceed fifteen percent (15%) of the Company's net worth; the total amount of any real property or right-of-use assets purchased by a subsidiary of the Company not for use in business operations may not exceed five percent (5%) of the Company's net worth.</p> <p>(2) The total amount of investment by the Company in all securities may not exceed <u>50%</u> of its net worth; the total amount of investment in all securities by a subsidiary of the Company may not exceed <u>30%</u> of the Company's net worth.</p> <p>(3) The amount of the Company 's investment in any single security may not exceed <u>30%</u> of its net worth; the amount of investment by a subsidiary of the Company in any single security may not exceed <u>20%</u> of the Company's net worth.</p> <p>(4) The reinvestment of the</p>	<p>made in accordance with the Procedure.</p> <p>3. Amount limits for investment in non-operational purpose fixed assets or right-of-use assets, and securities are as below:</p> <p>(1) The total amount of any real property or right-of-use assets purchased by the Company not for use in business operations may not exceed fifteen percent (15%) of the Company's net worth; the total amount of any real property or right-of-use assets purchased by a subsidiary of the Company not for use in business operations may not exceed five percent (5%) of the Company's net worth.</p> <p>(2) The total amount of investment by the Company in all securities may not exceed <u>six times</u> of its net worth; the total amount of investment in all securities by a subsidiary of the Company may not exceed <u>six times</u> of the Company's net worth.</p> <p>(3) The amount of the Company 's investment in any single security may not exceed <u>six times</u> of its net worth; the amount of investment by a subsidiary of the Company in any single security may not exceed <u>six times</u> of the Company's net worth.</p> <p>(4) The reinvestment of the</p>	

Article	Before	After	Remark
	<p>Company, in accordance with the Articles of Incorporation, is not limited by the rule of article 13 of the Company Act that the reinvestment shall not exceed forty percent (40%) of the paid-in capital.</p> <p><u>When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</u></p> <p><u>Where the Audit Committee has been established,</u> any transaction involving major assets or derivatives shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.</p> <p>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.</p>	<p>Company, in accordance with the Articles of Incorporation, is not limited by the rule of article 13 of the Company Act that the reinvestment shall not exceed forty percent (40%) of the paid-in capital.</p> <p>Any transaction involving major assets or derivatives <u>outside the scope of Article 4 in the procedures</u> shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.</p> <p>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.</p> <p><u>The board of directors shall take into full consideration of each independent director's opinions. If an independent director objects to</u></p>	

Article	Before	After	Remark
	<p>The Audit Committee members and the Board of Directors members in <a href="#">preceding paragraph</a> will only calculate the members in present position.</p>	<p><a href="#">or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</a></p> <p>The Audit Committee members and the Board of Directors members in <a href="#">this article</a> will only calculate the members in present position.</p>	
4	<p><a href="#">Appraisal Rules</a></p> <p>1. <a href="#">Authorization scope</a></p> <p>(1) Acquisition or disposal of long-term securities and fixed assets or right-of-use assets whose value under NT\$100 million shall be approved by Chairperson first.</p> <p>(2) Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under NT\$ 100 million shall be approved by President first.</p> <p>(3) The acquisition or disposal of equipment or right-of-use assets of which amount is under NT\$ 100 million shall be approved by Chairperson first.</p> <p>2. <a href="#">Acquisition or Disposal of Assets prices shall proceed according to Article 8 of the Procedure.</a></p>	<p><a href="#">Authorization scope</a></p> <p><a href="#">Acquisition or Disposal of the following Assets shall be determined by the authority within the scope of authorization:</a></p> <p>1. Acquisition or disposal of long-term securities and fixed assets or right-of-use assets whose value under NT\$100 million shall be approved by Chairperson first.</p> <p>2. Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under NT\$100 million shall be approved by President first.</p> <p>3. The acquisition or disposal of equipment or right-of-use assets of which amount is under NT\$300 million shall be approved by Chairperson first.</p> <p>4. <a href="#">With respect to the types of transactions listed below, when to be conducted between the company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued</a></p>	<p>Modify Chairperson's authorization amount due to the company's operating scale and needs.</p> <p>Partial terms from second section of Article 12 move to the fourth section of Article 4.</p> <p>Delete repeated terms in Article 8.</p>

Article	Before	After	Remark
		<p><u>shares or authorized capital, the Board Chairperson may decide such matters when the transaction is under NT\$300 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting, not subject to the second section of Article 12 of this Procedure:</u></p> <p>(1) <u>Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</u></p> <p>(2) <u>Acquisition or disposal of real property right-of-use assets held for business use</u></p>	
5	<p><b>Public Disclosure</b></p> <p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets 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</p>	<p><b>Public Disclosure</b></p> <p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets 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</p>	Delete inapplicable items to the company.

Article	Before	After	Remark
	<p>apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or redemption of the fund of the money market issued by domestic securities investment trust enterprises</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(4) Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.</p> <p>(5) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, furthermore the transaction counterparty is not a related party, and the amount the company expects to</p>	<p>apply to trading of government bonds, bonds under repurchase, resale agreements, subscription or redemption of the fund of the money market issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(4) Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.</p> <p>(5) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, furthermore the transaction counterparty is not a related party, and the amount the company expects to</p>	

Article	Before	After	Remark
	<p>invest in the transaction is <u>less</u> than NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, <u>a disposal of receivables by a financial institution</u>, or an investment in the mainland China area reaches twenty percent (20%) or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>i. Trading of domestic government bonds.</p> <p>ii. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. ~ 6. Omit</p>	<p>invest in the transaction is more than NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches twenty percent (20%) or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>a. Trading of domestic government bonds.</p> <p>b. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. ~ 6. Omit</p>	
6	<p><u>Announcement and Reporting</u></p> <p>Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within two (2) days commencing immediately from the date of occurrence of the event:</p> <p>1. Change, termination, or rescission of a contract</p>	<p><u>Changes in Announcement and Reporting</u></p> <p>Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within two (2) days commencing immediately from the date of occurrence of the event:</p> <p>1. Change, termination, or rescission of a contract</p>	Revise the title.

Article	Before	After	Remark
	<p>signed in regard to the original transaction.</p> <p>2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>3. Change to the originally publicly announced and reported information.</p>	<p>signed in regard to the original transaction.</p> <p>2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>3. Change to the originally publicly announced and reported information.</p>	
12	<p>1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches ten percent (10%) or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedure. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9, Paragraph 2 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered</p> <p>2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related</p>	<p><u><b>Related Party Transactions</b></u></p> <p>1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches ten percent (10%) or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedure. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9, Paragraph 2 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered</p> <p>2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related</p>	<p>Add a new title, move partial terms from second section of Article 12 to the fourth section of Article 4.</p>



Article	Before	After	Remark
	<p>party and the transaction amount reaches twenty percent (20%) or more of paid-in capital, ten percent (10%) or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of redemption of money market funds issued by domestic securities investment trust enterprises, 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 Audit Committee:</p> <ol style="list-style-type: none"> <li>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>(2) The reason for choosing the related party as a trading counterparty.</li> <li>(3) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations.</li> <li>(4) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related</li> </ol>	<p>party and the transaction amount reaches twenty percent (20%) or more of paid-in capital, ten percent (10%) or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of redemption of money market funds issued by domestic securities investment trust enterprises, 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 Audit Committee:</p> <ol style="list-style-type: none"> <li>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>(2) The reason for choosing the related party as a trading counterparty.</li> <li>(3) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations.</li> <li>(4) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related</li> </ol>	

Article	Before	After	Remark
	<p>party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with 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 Audit Committee need not be counted toward the transaction amount.</p> <p><u>With respect to below transactions made among the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds one hundred percent (100 %) of the issued shares or authorized capital, Board of Directors may pursuant to the procedure</u></p>	<p>party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with 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 Audit Committee need not be counted toward the transaction amount.</p>	

Article	Before	After	Remark
	<p><u>delegate the chairperson to decide such matters when the transaction is within NTD 100 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.</u></p> <p>(1) <u>Acquisition or disposal of equipment or right-of-use assets thereof held for business use</u></p> <p>(2) <u>Acquisition or disposal of real property right-of-use assets held for business use</u></p> <p>3. ~ 6. Omit</p>	<p>3. ~ 6. Omit</p>	
14	<p>The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, 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 Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.</p>	<p>The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.</p> <p>Where the shareholders meeting <u>of any one of the companies participating in a merger, demerger, or acquisition</u> 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 Company shall immediately publicly explain the reason, the follow-up measures, and the</p>	<p>Modify based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

Article	Before	After	Remark
		preliminary date of the next shareholders meeting.	
15	<p>A company shall convene a Board of Directors meeting and shareholders meeting on the <u>same</u> day, to resolve merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p> <p>The Company participating in a transfer of shares shall call a Board of Directors meeting on the <u>same</u> day, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p> <p>Omitted below.</p>	<p>A company <u>participating in a merger, demerger, or acquisition</u> shall convene a Board of Directors meeting and shareholders meeting on the day, <u>same as other participating company</u>, to resolve merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p> <p>The Company participating in a transfer of shares shall call a Board of Directors meeting on the day, <u>same as other participating company</u>, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent</p> <p>Omitted below.</p>	Modify based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.
21	<p>Acquisition or disposal of assets by the Company’s subsidiary shall obey as follows:</p> <ol style="list-style-type: none"> <li>1. The Company’s subsidiary shall adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Procedures.</li> <li>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.</li> <li>3. “Reaching twenty percent (20%) of paid-in capital or 10% of total assets” specified in the regulatory of subsidiary reporting and public announcements criteria shall be the paid-in</li> </ol>	<p>Acquisition or disposal of assets by the Company’s subsidiary shall obey as follows:</p> <ol style="list-style-type: none"> <li>1. The Company’s subsidiary shall adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Procedures.</li> <li>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.</li> <li>3. “Reaching twenty percent (20%) of paid-in capital or 10% of total assets” specified in the regulatory of subsidiary reporting and public announcements criteria <u>in the preceding</u></li> </ol>	Modify subsidiary definition based on regulation reference and rephrase.

Article	Before	After	Remark
	<p>capital or total assets of the parent Company.</p> <p>4. <u>The term “subsidiary” as used in these procedures, means following companies directly or indirectly controlled by the Company throughout the country or overseas:</u></p> <p>(1) <u>the invested Company in which the Company directly holds more than fifty percent (50%) issued voting shares</u></p> <p>(2) <u>each invested Company in which the Company through its subsidiaries indirectly holds more than fifty percent (50%) issued voting shares and the rest shall apply the same.</u></p> <p>(3) <u>each invested Company in which the Company directly and through its subsidiaries indirectly holds more than fifty percent (50%) issued voting shares and the rest shall apply the same.</u></p>	<p><u>paragraph</u> shall be the paid-in capital or total assets of the parent Company.</p> <p>4. <u>The term “subsidiary” as used in these procedures, shall be recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p>	
27	<p>The Procedures were enacted on May 29, 1990</p> <p>The 1<sup>st</sup> amendment was made on April 26, 1996</p> <p>(omit)</p> <p>The 18<sup>th</sup> amendment was made on June 27,2019.</p>	<p>The Procedures were enacted on May 29, 1990</p> <p>The 1<sup>st</sup> amendment was made on April 26, 1996</p> <p>(omit)</p> <p>The 18<sup>th</sup> amendment was made on June 27,2019.</p> <p><u>The 19<sup>th</sup> amendment was made on June 24,2021.</u></p>	Add amendment date

## Attachment 9

### Sino-American Silicon Products Inc.

#### Comparison Chart of Policies and Procedures for Financial Derivatives Transactions

Article	Before	After	Remark
1~18	<p>Article 1 :</p> <p>Article 2 :</p> <p>Article 3 :</p> <p>Article 4 :</p> <p>Article 5 : Transaction principle and guideline</p> <p>Article 6 :</p> <p>Article 7 :</p> <p>Article 8 : Division of authority and duties</p> <p>Article 9 : Authorization</p> <p>Article 10 :</p> <p>Article 11 :</p> <p>Article 12 :</p> <p>Article 13 :</p> <p>Article 14 :</p> <p>Article 15 : Internal control</p> <p>Article 16 :</p> <p>Article 17 :</p> <p>Article 18 :</p>	<p>Article 1 : <a href="#">Scope of application</a></p> <p>Article 2 : <a href="#">Definition (1)</a></p> <p>Article 3 : <a href="#">Definition (2)</a></p> <p>Article 4 : <a href="#">The types of derivatives that may be traded</a></p> <p>Article 5 : Transaction principle and guideline</p> <p>Article 6 : <a href="#">The loss ceiling on total trading and for individual</a></p> <p>Article 7 : <a href="#">Ceiling of total amount of derivatives contracts</a></p> <p>Article 8 : Division of authority and duties</p> <p>Article 9 : Authorization</p> <p>Article 10 :</p> <p>Article 11 : <a href="#">Public Disclosure of Information</a></p> <p>Article 12 :</p> <p>Article 13 :</p> <p>Article 14 :</p> <p>Article 15 : Internal control</p> <p>Article 16 : <a href="#">Internal audit and penalties</a></p> <p>Article 17 : <a href="#">Implementation and amendment</a></p> <p>Article 18 : <a href="#">Enforcement and history</a></p>	Add article topics.
5	<p><b>Transaction principle and guideline:</b></p> <p>The profit of the Company shall be derived from operation. The Company engages in above derivatives transactions shall be based on the principle of hedging currency and interest rate risks only, opportunism transaction <a href="#">are not allowed</a>. The instruments shall meet the Company's actual hedging needs</p>	<p><b>Transaction principle and guideline</b></p> <p>The profit of the Company shall be derived from operation. The Company engages in <a href="#">hedge-oriented transaction of the above derivatives transactions shall be based on the principle of hedging currency and interest rate risks only, which means the purpose of holding or issuing derivatives commodity is not to earn through price differences of a commodity. The Company does not allow</a> opportunism transaction. The instruments shall</p>	Clearly define the Company could only engage in hedging transaction.

Article	Before	After	Remark
		meet the Company's actual hedging needs.	
6	<p><u>For derivatives transactions in which the Company engages, loss limit is US\$250,000 of the contract amount in aggregate. The individual contracts loss limit is 10% of the principal amount respectively and shall not exceed US\$250,000.</u> Loss limit is 20% of the contract amount <u>for</u> any individual contract or for all contracts in aggregate. <u>The aforementioned</u> "transaction-oriented" refers to <u>holding /issuing derivative transaction to profit from price difference.</u> "Non-transaction-oriented" or "Hedge-oriented" refers to <u>transactions for other purposes.</u></p>	<p><u><b>The loss ceiling on total trading and for individual</b></u> Loss limit <u>of "Hedge-oriented transactions"</u> is 20% of the contract amount. <u>The term applies in</u> any individual contract or for all contracts in aggregate.</p>	Delete the Articles of non-hedge-oriented transaction, and definition for hedge-oriented transaction is moved to Article 5.
7	<p><u><b>Article 9 from former version</b></u></p> <p>The total contract amount from foreign exchange hedging operation shall not exceed the total foreign currency position of accounts receivable, accounts payable and deposit <u>arising from operation</u>, and shall be reported to the latest BOD meeting after transaction. Apart from <u>business</u>, any currency hedging should adopt the assets (liability) which are held or anticipated to trade as ceiling. For example, overseas acquisition adopts acquisition price as ceiling, fund lending adopts loan balance as ceiling, overseas equity, bonds or other financial instruments adopts total amount of outstanding balance as ceiling, and could only be executed after BOD approval. However, if BOD approval could not be obtained in advance due to interest of time, Chairperson could be authorized to approve</p>	<p><u><b>Article 7</b></u> <u><b>Ceiling of total amount of derivatives contracts</b></u></p> <p>The total contract amount from foreign exchange hedging operation <u>underwritten from daily operation</u>, shall not exceed the total foreign currency position of accounts receivable <u>and</u> accounts payable <u>(including funds lending among companies in the consolidated financial statements)</u> and deposit, and shall be reported to the latest BOD meeting after transaction. Apart from <u>daily operation</u>, any currency hedging should adopt the assets (liability) which are held or anticipated to trade as ceiling. For example, overseas acquisition adopts acquisition price as ceiling, fund lending adopts loan balance as ceiling, overseas equity, bonds or other financial instruments adopts total amount of outstanding balance as ceiling, and could only</p>	Reorder and rephrase.

Article	Before	After	Remark
	transactions based on evaluation report submitted by finance department, and such transaction shall be reported to the latest BOD meeting after execution.	be executed after BOD approval. However, if BOD approval could not be obtained in advance due to interest of time, Chairperson could be authorized to approve transactions based on evaluation report submitted by finance department, and such transaction shall be reported to the latest BOD meeting after execution.	
	<p><b><u>Article 8 from former version</u></b>  <b><u>Performance assessments</u></b></p> <p>(1) <u>The performance assessments are based on the gain or loss between account exchange and interest rate and derivative trading.</u></p> <p>(2) <u>The Finance Department shall assess market prices and evaluate hedging performance each week. “Transaction-oriented” position shall be evaluated at least once a week; “Non-transaction-oriented” or “Hedge-oriented” position shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.</u></p>	<u>Delete</u>	Delete because duplicate with Article 15-3 (i)
8	<p><b><u>Article 7 from former version:</u></b>  <b><u>Division of authority and duties</u></b></p> <p>(1) Finance Department is responsible for building currency strategy and negotiation, as well as setting up quarterly hedging ceiling in accordance with the Procedures based on revenue, export/import</p>	<p><b><u>Article 8</u></b>  <b><u>Division of authority and duties</u></b></p> <p>(1) Finance Department is responsible for building currency strategy and negotiation, as well as setting up quarterly hedging ceiling in accordance with the Procedures based on revenue, export/import quantity and balance position for risk</p>	Reorder and rephrase



Article	Before	After	Remark
	<p>quantity and balance position for risk control.</p> <p>(2) Finance Department shall pay attention to currency as well as capital position at all times, submit hedging strategy according to actual needs for President's approval. Any deviation can only be executed upon receiving President's approval.</p>	<p>control.</p> <p>(2) Finance Department shall pay attention to currency as well as capital position at all times, submit hedging strategy according to actual needs for President's approval. Any deviation can only be executed upon receiving President's approval.</p>	
9~18	<a href="#"><u>Article 10~19 from former version</u></a>	<a href="#"><u>Article 9~18</u></a>	Reorder because of deletion in Article 8
9	<p><a href="#"><u>Article 10 from former version</u></a></p> <p><b>Authorization</b></p> <p>(1) The amount within US\$500 thousand or equivalent foreign currency on each transaction shall be approved by President.</p> <p>(2) The amount exceed US\$500 thousand on each transaction shall be approved by Chairperson.</p>	<p><a href="#"><u>Article 9</u></a></p> <p><b>Authorization</b></p> <p>(1) The amount within US\$500 thousand or equivalent foreign currency on each transaction shall be approved by President.</p> <p>(2) The amount exceed US\$500 thousand <a href="#"><u>or equivalent foreign currency</u></a> on each transaction shall be approved by Chairperson.</p>	Rephrase
11	<p><a href="#"><u>Article 12 from former version</u></a></p> <p><a href="#"><u>The dealers shall ensure derivative transactions complete and consistent with relevant regulations. After being public, the</u></a> Company shall submit derivatives transactions as of last month of the Company and its overseas public subsidiaries to the information disclosure website designated by the Securities and Futures Commission on a monthly basis by the 10th of every month.</p>	<p><a href="#"><u>Article 11</u></a></p> <p><a href="#"><u>Public Disclosure of Information</u></a></p> <p>(1) The Company shall submit derivatives transactions as of last month of the Company and its overseas public subsidiaries to the information disclosure website designated by the Securities and Futures Commission on a monthly basis by the 10th of every month.</p> <p>(2) <a href="#"><u>When losses from derivatives</u></a></p>	Delete phrases duplicate with Article 1; add regulations on announcement within 2 days when losses reach ceiling

Article	Before	After	Remark
		<u>trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted, the Company shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event.</u>	
15	<p><b><u>Article 16 from former version</u></b></p> <p>1 Internal Control</p> <p>(1) The Financial unit's transaction personnel and confirmation and settlement operations personnel may not concurrently serve in more than one of those positions.</p> <p>(2) Trading personnel shall submit foreign exchange trading slip to confirmation personnel for</p>	<p><b><u>Article 15</u></b></p> <p>1. Internal Control</p> <p>(1) The Financial unit's transaction personnel and confirmation and settlement operations personnel may not concurrently serve in more than one of those positions.</p> <p><u>Related risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.</u></p> <p>(2) Trading personnel shall submit foreign exchange trading slip to confirmation personnel</p>	<p>Add new regulations for risk management personnel.</p> <p>Delete the relevant provisions of non-hedging transactions</p> <p>Add the retention period of the log book and rephrase.</p>

Article	Before	After	Remark
	<p>record.</p> <p>(3) Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty.</p> <p>(4) Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conform to the ceilings set under these Procedures.</p> <p>2 Risk Management (Omit)</p> <p>3 Periodic evaluation</p> <p>(1) The Finance Department shall assess market prices and evaluate hedging performance <u>each week</u>.  <u>“Transaction-oriented” amount shall be evaluated at least once a week;</u>  <u>“Non-transaction-oriented”</u> <u>or</u> “Hedge-oriented” amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.</p> <p>(2) The designated personnel appointed by the <u>b</u>oard of <u>d</u>irectors to monitor and control derivatives trading risks on an ongoing basis shall also at regular intervals evaluate whether trading performance accords with established operational strategies, and whether risks assumed are within a tolerable range. They shall at regular</p>	<p>for record.</p> <p>(3) Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty.</p> <p>(4) Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conform to the ceilings set under these Procedures.</p> <p>2. Risk Management (Omit)</p> <p>3. Periodic evaluation</p> <p>(1) The Finance Department shall assess market prices and evaluate hedging performance.</p> <p>“Hedge-oriented” amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.</p> <p>(2) The designated personnel appointed by the <u>B</u>oard of <u>D</u>irectors to monitor and control derivatives trading risks on an ongoing basis shall also at regular intervals evaluate whether trading performance accords with established operational strategies, and whether risks assumed are within a</p>	

Article	Before	After	Remark
	<p>intervals evaluate whether the risk management procedures currently in use are appropriate and scrupulously conducted in accordance with these Procedures.</p> <p>(3) <u>The chief financial officer</u> shall monitor the trading and profit and loss situation. When any irregularity is discovered, <u>the chief financial officer</u> shall report to the <u>board</u> of <u>directors</u>. <u>If independent Director(s) have been appointed, the board of directors</u> shall have the independent <u>director(s)</u> attend and express an opinion.</p> <p>(4) The <u>company</u> engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, <u>board of directors</u> approval dates, and the matters required to be carefully evaluated under subparagraph 1, 2 of this <u>article</u> shall be recorded in detail in the log book.</p>	<p>tolerable range. They shall at regular intervals evaluate whether the risk management procedures currently in use are appropriate and scrupulously conducted in accordance with these Procedures.</p> <p>(3) <u>Senior management personnel authorized by the Board of Directors</u> shall monitor the trading and profit and loss situation. When any irregularity is discovered, <u>senior management personnel authorized by the Board of Directors</u> shall report to the <u>Board of Directors</u>. <u>The Board of Directors</u> shall have the independent <u>Director(s)</u> attend and express an opinion.</p> <p>(4) The <u>Company</u> engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, <u>Board of Directors</u> approval dates, and the matters required to be carefully evaluated under subparagraph 1, 2 of this <u>Article</u> shall be recorded in detail in the log book <u>at least 5 years</u>.</p>	
18	<p><b><u>Article 19 from former version</u></b></p> <p><b>Enforcement and history</b></p> <p>The Procedure was enacted on</p>	<p><b><u>Article 18</u></b></p> <p><b>Enforcement and history</b></p> <p>The Procedure was enacted on</p>	Add amendment date.

Article	Before	After	Remark
	<p>March 19, 1999.</p> <p>The 1<sup>st</sup> amendment was made on June 13, 2003.</p> <p>The 2<sup>nd</sup> amendment was made on June 8, 2013.</p> <p>The 3<sup>rd</sup> amendment was made on June 25, 2013.</p> <p>The 4<sup>th</sup> amendment was made on June 27, 2017.</p> <p>The 5<sup>th</sup> amendment was made on June 26, 2018.</p> <p>The 6<sup>th</sup> amendment was made on June 27, 2019.</p>	<p>March 19, 1999.</p> <p>The 1<sup>st</sup> amendment was made on June 13, 2003.</p> <p>The 2<sup>nd</sup> amendment was made on June 8, 2013.</p> <p>The 3<sup>rd</sup> amendment was made on June 25, 2013.</p> <p>The 4<sup>th</sup> amendment was made on June 27, 2017.</p> <p>The 5<sup>th</sup> amendment was made on June 26, 2018.</p> <p>The 6<sup>th</sup> amendment was made on June 27, 2019</p> <p><a href="#">The 7<sup>th</sup> amendment was made on June 24, 2021.</a></p>	

## **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 taperecorded 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.

The 5<sup>th</sup> amendment was made on June 26, 2018.

## 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  
C801990 Other Chemical Materials Manufacturing  
IG03010 Energy-related Technology and Service  
F119010 Electronic Materials Wholesale (restricted to areas outside Hsinchu Science Park)  
F219010 Electronic Materials Retail (restricted to areas outside Hsinchu Science Park)  
F401010 International Trade

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

1. Silicon-based semiconductor materials and their components
2. Varistor
3. Photovoltaic and communication materials
4. Silicone Compound
5. The technology, management and advisory business related to the products listed above
6. Photovoltaic system integration and installation services
7. Import-export activities related to the above mentioned business

##### Article 3

The Company may make reinvestment.

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

##### Article 4

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

## **Article 5**

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

### **Article5-1**

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

## **Chapter II. Capital Stock**

### **Article 6**

The total capital stock of the Company shall be in the amount of NTD10,000,000,000, divided into 1,000,000,000 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.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive treasury shares in accordance with the Company Act.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive share subscription warrant.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to purchase new shares issued by the company.

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive restricted stock issued by the company.

### **Article 7**

The Company may not print share certificates. Registers of share certificates shall contact the share certificates' depository and clearing organizations, which the process shall follow their policies and regulations.

### **Article 8**

All the Company's stock-related affairs shall be dealt in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies and other relevant regulations.

### **Article 9**

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 10**

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.

#### **Article 11**

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 12**

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 13**

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 14**

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 15**

Minutes of shareholders' meeting shall be proceeded subject to Article 183 of the Company Act.

### **Chapter IV. Directors and the Audit Committee**

#### **Article 16**

1. The Company shall have 7 to 13 directors to be elected at the shareholders' meeting by adopting the candidate nomination system specified in Article 192-1 of the ROC Company Law. All directors 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.
2. The aforesaid directors must have at least three independent directors. 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 16-1**

The Company shall establish an audit committee according to Article 14-4 of Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors.

The composition of the audit committee, duties, rules and other related affairs shall be conducted in accordance with regulations issued by the securities institutions.

#### **Article 17**

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 18**

In the case that vacancies on the Board of Directors reach or exceed one third of the total number of the directors, 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 19**

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

#### **Article 20**

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

#### **Article 21**

Remunerations of all directors 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 22**

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

### **Chapter V. Management of the Corporation**

#### **Article 23**

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

#### **Article 24**

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 25**

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

#### **Article 26**

The Company's earning distribution or coverage would be concluded once every half of the fiscal year.

## **Article 26-1**

The company shall submit the business report and financial statements to the Audit Committee for verification before the end of the second half of the fiscal year when the company has proposal of earning distribution or coverage. After the verification, the Board of Directors will discuss and make the decision.

As for the proposal of earning distribution, the decision shall be discussed and made by the Board of Directors when the distribution will be given in cash; the decision shall be discussed and made by the shareholders when the distribution will be given with new stock.

## **Article 26-2**

Upon the closing of each fiscal year, the Board of Directors shall work out the following documents and present it at a regular meeting of shareholders for acknowledgement.

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

## **Article 27**

If the Company has surplus after the yearly accounting closed, 3~15% of the profit shall be appropriated for the employees' remuneration distributed with stocks or cash decided by the board of directors. Employees entitled to bonus may include parents' or subsidiaries' employees that meet certain criteria. The Company may appropriate 3% at the most of the above profit quota decided by the board of directors for directors' remuneration. Distribution for employees and directors shall be reported to the shareholders' meeting. An offset, however, to the accumulated loss shall be reserved before making distribution to employees and directors.

## **Article 27-1**

If the Company has surplus after the yearly accounting closed, following taxes and offsets to the accumulated loss, another 10% shall be appropriated as legal reserve by laws. While no appropriation shall be made, if the legal reserve has reached the amount of the paid-in capital of the Company. The remaining amount shall be appropriated or transferred to special reserve according to laws and the rest along with the accumulated surplus may be proposed by the board of directors.

The Company, in accordance with No.240-5 of the Articles of Incorporation, may authorize the distributable dividends and bonuses in whole or in part to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

In order to maintain continuous operating of the Company and steady growth of its surplus per share, dividend for shareholders shall more than 50% of the profit after tax deducting from the appropriation of special surplus and the distribution rate of the dividend for shareholders shall be no less than 50% of the cash dividend.

When the same amount of special reserve allocated from the beginning unappropriated retained earnings is insufficient to cover the accumulation of net deduction from other equity interest, to allocate special reserve from beginning unappropriated retained earnings plus net income and account from other comprehensive income.

## **Article 27-2**

The Company, in accordance with No.241 of the Articles of Incorporation, may authorize the distributable legal surplus reserve and capital reserve in whole or in part to be paid in new stock issuance or in cash according to the proportion of the shareholding of shareholders. Distribution in cash shall be determined after a resolution adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. Distribution in new share issuance shall be determined after a resolution at the shareholders' meeting.

## **Chapter VII. Supplementary Provisions**

### **Article 28**

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

### **Article 29**

This Articles of Incorporation is established on Dec 25, 1980.

The 1<sup>st</sup> amendment on May 21, 1984.

The 2<sup>nd</sup> amendment on July 20, 1984.

The 3<sup>rd</sup> amendment on June 26, 1987.

The 4<sup>th</sup> amendment on Nov 16, 1987.

The 5<sup>th</sup> amendment on Aug 4, 1989.

The 6<sup>th</sup> amendment on May 29, 1990.

The 7<sup>th</sup> amendment on June 14, 1991.

The 8<sup>th</sup> amendment on June 23, 1993.

The 9<sup>th</sup> amendment on May 30, 1995.

The 10<sup>th</sup> amendment on Nov 3, 1997.

The 11<sup>th</sup> amendment on June 12, 1998.

The 12<sup>th</sup> amendment on June 16, 1999.

The 13<sup>th</sup> amendment on Sep 7, 1999.

The 14<sup>th</sup> amendment on May 23, 2000.

The 15<sup>th</sup> amendment on May 21, 2001.

The 16<sup>th</sup> amendment on June 21, 2002.

The 17<sup>th</sup> amendment on June 13, 2003.

The 18<sup>th</sup> amendment on June 24, 2004.

The 19<sup>th</sup> amendment on June 3, 2005.

The 20<sup>th</sup> amendment on June 8, 2006.

The 21<sup>st</sup> amendment on June 21, 2007.



The 22<sup>nd</sup> amendment on June 19, 2008.

The 23<sup>rd</sup> amendment on June 3, 2009.

The 24<sup>th</sup> amendment on June 15, 2010.

The 25<sup>th</sup> amendment on June 17, 2011.

The 26<sup>th</sup> amendment on June 27, 2012.

The 27<sup>th</sup> amendment on June 25, 2013.

The 28<sup>th</sup> amendment on June 26, 2014.

The 29<sup>th</sup> amendment on June 28, 2016.

The 30<sup>th</sup> amendment on June 27, 2017.

The 31<sup>st</sup> amendment on June 27, 2019.

The 32<sup>nd</sup> amendment on June 24, 2020.

Implement after approvals from the meeting of stockholders.

## **Appendix 3**

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

#### **Procedures for Ethical Management and Guidelines for Conduct**

##### **Article 1 (Purpose of Adoption and Scope of Application)**

The Corporation engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where the Corporation and its business groups and organizations operate, with a view to providing all personnel of the Corporation with clear directions for the performance of their duties.

This "Procedures and Guidelines" applies as well to the Corporation's subsidiaries, any foundation to which the Corporation's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the Corporation.

##### **Article 2 (Applicable Subjects)**

For the purposes of these Procedures and Guidelines, the term "personnel of the Corporation" refers to any director, supervisor, managerial officer, employee, attorney, mandatary or person having substantial control, of the Corporation or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of the Corporation through a third party will be presumed to be an act by the personnel of the Corporation.

##### **Article 3 (Unethical Conduct)**

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Corporation, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

##### **Article 4 (Types of Benefits)**

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

##### **Article 5 (Responsible Unit)**

The Corporation shall designate the legal departments as the solely responsible unit (hereinafter,

"responsible unit") in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. Main functions shall include the following items and shall be regularly reported to the board:

1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

#### **Article 6 (Prohibition against Provision or Acceptance of Improper Benefits)**

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Corporation shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Property with a market value of NT\$5000 or more received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative shall be subject to prior approval of the responsibility unit. In the event that the property is received due to no liability reason, it shall be reported to responsibility unit for ratification afterwards.
7. Other conduct that complies with the rules of the Corporation.

#### **Article 7 (Procedures for Handling the Acceptance of Improper Benefits)**

Except under any of the circumstances set forth in the preceding article, when any personnel of the Corporation are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Corporation's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Corporation's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Corporation's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Corporation shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported to and approved by the President.

#### **Article 8 (Prohibition of Facilitating Payments and Handling Procedure)**

The Corporation shall neither provide nor promise any facilitating payment.

If any personnel of the Corporation provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

#### **Article 9 (Procedures for Handling Political Contributions)**

Political contributions by the Corporation shall be made in accordance with the following provisions, reported to the chairman in charge for approval, and a notification given to the responsible unit, and when the amount of a contribution is NT\$1,000,000 or more, it shall be made only after being reported to and approved by the board of directors:

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws

and regulations and relevant procedures for accounting treatment.

4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Corporation with the related government agencies shall be avoided.

#### **Article 10 (Procedures for Handling Charitable Donations or Sponsorships)**

Charitable donations or sponsorships by the Corporation shall be provided in accordance with the following provisions and reported to the chairman in charge for approval, and a notification shall be given to the responsible unit. When the amount is NT\$5,000,000 or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Corporation is doing business.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Corporation's commercial dealings or a party with which any personnel of the Corporation has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

#### **Article 11 (Avoidance of Conflict of Interest)**

When a Company director, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, that director, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

If in the course of conducting company business, any personnel of the Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Corporation may use company resources on commercial activities other than those of the Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Corporation.

#### **Article 12 (Confidentiality Mechanism)**

An intellectual property unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of this Corporation's trade secrets, trademarks, patents, works and other intellectual properties is established in the Corporation. Such a unit shall also conduct annual reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of the Corporation shall faithfully follow the operational directions pertaining to intellectual properties and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Corporation unrelated to their individual duties.

### **Article 13 (Prohibition against Unfair Practices on Competition)**

This Corporation shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

### **Article 14 (Prohibition against Insider Trading)**

All Company personnel shall adhere to the provisions of the Securities and Exchange Act and international standards, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

### **Article 15 (Non-disclosure Agreement)**

Any organization or person outside of the Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Corporation acquired as a result, and that they may not use such information without the prior consent of the Corporation.

### **Article 16 (Public Disclosure of Ethical Management Policy)**

The Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

### **Article 17 (Ethical Management Evaluation Prior to Development of Commercial Relationships)**

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Corporation shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Corporation carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The counterparty's nationality, location of business operations, organizational structure,

management policy, and place where it will make payments.

2. Whether the counterparty has adopted an ethical management policy, and the status of its implementation.
3. Whether counterparty's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the counterparty is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the counterparty.
6. Consultation with the enterprise's business partners on their opinion of the counterparty.
7. Whether the counterparty has a record of involvement in unethical conduct such as bribery or illegal political contributions.

#### **Article 18 (Statement of Ethical Management Policy to Counterparties in Commercial Dealings)**

Any personnel of the Corporation, when engaging in commercial activities, shall make a statement to the trading counterparty about the Corporation's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

#### **Article 19 (Avoidance of Commercial Dealings with Unethical Counterparties)**

All personnel of the Corporation shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Corporation's ethical management policy.

#### **Article 20 (Contract Incorporating Integrity Policy)**

Before settling a contract with any other party, the company shall have a full understanding of the other party's business integrity and shall incorporate the Company's business integrity policy into the contract with at least the following items:

1. Either party shall promptly inform the other party of the identity, provision, commitment, demand or receipt of any person in violation of the terms of the contract prohibiting the receipt of commissions, kickbacks or other improper interests, and shall provide relevant evidence and cooperate with the investigation of the other party. If a party suffers any damage as a result, it may claim against the other party for damages equal to 50% of the contract amount and may deduct such amount from the contract price payable. Where the contract has no amount or the foregoing proportion of damages is insufficient to deter or commercially infeasible, the legal department shall be empowered to set the best terms.
2. If either party is involved in any dishonest business activities, the other party may terminate or terminate the contract at any time unconditionally.
3. Clear and reasonable payment contents shall be stipulated, including the place and method of payment in compliance with relevant tax laws and regulations.

#### **Article 21 (Risk Assessment Mechanism against Unethical Conduct)**

Regarding the listed types of unethical conducts as stipulated in Article 7 of the Corporation's "Ethical Corporate Management Best Practice Principles", the Corporation identifies subjects at a higher risk of getting involved in the foregoing by collecting information from controlling measures

as follows and analyzing/assessing annually such information prior to the end of June, and continuously reviews the adequacy and effectiveness of the prevention program:

1. Entrance Access Control:  
Security guards and receptionists shall report visitors' identity, frequency of visit, visitee, purpose of visit, and personal belongings brought in and out of facility;
2. E-mail Tracing:  
Information management unit shall set up alerting keywords with respect to external recipients and senders, keep records for detective results and report abnormalities;
3. Qualitative Interviews:  
Intellectual property unit shall identify issues having potentially a high risk of infringement, human resource unit shall provide a list of new employees having a high litigation risk;
4. Annual Self-Assessment on Compliance with Laws and Regulations:  
Review and ensure each and every unit fully complies with external laws and regulations.
5. Report on Complaints:  
In case that products or services provided by the Corporation cause damage to consumers or other stakeholders and complaints of such are received, sales unit shall immediately report such cases to compliance section.

Within the business scope, staff of each and every section shall bear the duty to cooperate with investigations conducted by compliance section regarding the foregoing controlling measures.

The decency and effectiveness of this "Procedures and Guidelines" together with prevention programs as specified in Article 6 of the Corporation's "Ethical Corporate Management Best Practice Principles" shall be periodically reviewed pursuant to the risk assessment mechanism as established in paragraph 1 of this Article for further modification or revision as appropriate.

## **Article 22 (Handling of Unethical Conduct by Personnel of the Corporation)**

The Corporation shall investigate relevant facts on any discovery or report of unethical conduct from its employees. Once it is verified that it's against the relevant laws or regulations of the Corporation's ethical management, immediate prohibition and necessary handling shall be taken regarding to the personnel. Besides, damages shall be compensated via legal procedures if required to maintain the reputation and rights of the Corporation.

For the unethical conduct that has occurred, the Corporation shall designate relevant unit to review the internal control system and procedures. Improvement suggestion shall be addressed so as to prevent from recurrence.

Relevant implementation details shall be handled in accordance with the company's "Measures for handling Illegal and Immoral and Dishonest Behavior".

## **Article 23 (Actions upon Event of Unethical Conduct by Others towards the Corporation)**

If any personnel of the Corporation discovers that another party has engaged in unethical conduct towards the Corporation, and such unethical conduct involves alleged illegality, the Corporation shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Corporation shall additionally notify the governmental anti-corruption agency.

## **Article 24 (Establishment of a system for training, rewards, penalties, and complaints)**

Compliance section of the Corporation shall periodically arrange chairman, president or senior



management to promote the importance of ethics to employees and mandataries.

The Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Corporation seriously violates ethical conduct, the Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Corporation.

The Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

#### **Article 25 (Enforcement)**

This “Procedures and Guidelines”, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be submitted to every member of the audit committee and reported to the shareholders’ meeting.

When this “Procedures and Guidelines” is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Any independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless legitimate reasons otherwise exist; such an opinion shall be specified in the minutes of the board of directors meeting.

#### **Article 26 (Dates of Enactment and Amendments)**

This “Procedures and Guidelines” was approved on March 22, 2016.

The 1<sup>st</sup> amendment was made on March 21, 2019.

The 2<sup>nd</sup> amendment was made on November 12, 2019.

## **Appendix 4**

### **Sino-American Silicon Products Inc. Rules for Election of Directors**

#### **Article 1**

Unless otherwise provided in the Company Law or the Articles of Incorporation of this Company, the independent and non-independent directors of this Company shall be elected in accordance with the rules specified herein.

#### **Article 2**

Election of directors of this Company shall be held at the shareholders' meeting. The board of directors shall prepare ballots and note the number of voting rights.

#### **Article 3**

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

#### **Article 4**

The Company's directors elections shall be conducted in accordance with the candidate nomination system specified in Article 192-1 of the Company Act.

#### **Article 5**

In the election of directors of this Company, independent directors and non-independent directors should be elected from the same election with the effective seats calculated specifically. Candidates who acquire more votes should individually win the seats of directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.

#### **Article 6**

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

#### **Article 7**

At the beginning of the election, the Chairman shall appoint several persons each to check and record the ballots. The persons to check the ballots may be appointed from among the shareholders

present.

#### **Article 8**

The ballot box used for voting shall be prepared by this Company and checked in public by the person to check the ballots before voting.

#### **Article 9**

If the candidate is a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and shareholder's number. If the candidate is not a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and the candidate's ID number. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of their representative(s) should be filled in the column. If there are several representatives, each of the representatives' names must be filled in.

#### **Article 10**

Ballots shall be deemed void under the following conditions:

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

#### **Article 11**

The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

#### **Article 12**

This Company shall issue notifications to the directors elected, who shall also sign the "Consent to Act as (Independent) Director"

#### **Article 13**

These rules and any revision thereof shall become effective after approval at the shareholders' meeting.

#### **Article 14**

This Procedure was enacted on June 26, 2014.

## **Appendix 5**

### **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 Financial Supervisory Commission (hereinafter referred to as "FSC") per the Regulations Governing the Acquisition or Disposal of Assets by Public Companies

#### **Article 2**

The term "assets" as used in these Regulations includes the following:

1. Investments in 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. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. 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. Amount limits for investment in non-operational purpose fixed assets or right-of-use assets, and securities are as below:
  - (1) The total amount of any real property or right-of-use assets purchased by the Company not for use in business operations may not exceed fifteen percent (15%) of the Company's net worth; the total amount of any real property or right-of-use assets purchased by a subsidiary of the Company not for use in business operations may not exceed five percent (5%) of the Company's net worth.
  - (2) The total amount of investment by the Company in all securities may not exceed two

hundred percent (200%) of its net worth; the total amount of investment in all securities by a subsidiary of the Company may not exceed two hundred percent (200%) of the Company's net worth.

- (3) The amount of the Company 's investment in any single security may not exceed one hundred and fifty percent (150%) of its net worth; the amount of investment by a subsidiary of the Company in any single security may not exceed one hundred and fifty percent (150%) of the Company's net worth.
- (4) The reinvestment of the Company, in accordance with the Articles of Incorporation, is not limited by the rule of article 13 of the Company Act that the reinvestment shall not exceed forty percent (40%) of the paid-in capital.

When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where the Audit Committee has been established, any transaction involving major assets or derivatives shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.

If the aforesaid transaction of major assets or derivatives has not been approved by such Audit Committee with the consent of one-half or more than one-half of all members of the audit committee, it may be undertaken upon the consent of at least two-thirds of all members of the Board of Directors, but the resolution adopted by the audit committee shall be recorded in the meeting minutes of the Board of Directors meeting.

The Audit Committee members and the Board of Directors members in preceding paragraph will only calculate the members in present position.

## **Article 4**

### **Appraisal Rules**

1. Authorization scope
  - (1) Acquisition or disposal of long-term securities and fixed assets or right-of-use assets whose value under NT\$100 million shall be approved by Chairperson first.
  - (2) Acquisition or disposal of short-term (within one year) securities and fixed assets whose value under NT\$ 100 million shall be approved by President first.
  - (3) The acquisition or disposal of equipment or right-of-use assets of which amount is under NT\$ 100 million shall be approved by Chairperson first.
2. Acquisition or Disposal of Assets prices shall proceed according to Article 8 of the Procedure.

## **Article 5**

### **Public Disclosure**

1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:
  - (1) Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets 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, bonds under repurchase, resale agreements, subscription or redemption of the fund of the money market issued by domestic securities investment trust enterprises

- (2) Merger, demerger, acquisition, or transfer of shares.
- (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- (4) Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.
- (5) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction is less than NT\$500 million.
- (6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches twenty percent (20%) or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
  - i. Trading of domestic government bonds.
  - ii. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. The amount of transactions above shall be calculated as follows:

- (1) The amount of any individual transaction.
- (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
- (3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
- (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

3. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.
4. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
5. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days commencing immediately from the date of knowing.
6. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act

provides otherwise.

## **Article 6**

### **Announcement and Reporting**

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within two (2) days commencing immediately from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

## **Article 7**

In acquiring or disposing of real property or equipment or right-of-use assets thereof where the transaction amount reaches twenty percent (20%) of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, 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, 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 ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
  - (1) The discrepancy between the appraisal result and the transaction amount is twenty percent (20%) or more of the transaction amount.
  - (2) The discrepancy between the appraisal results of two or more professional appraisers is ten percent (10%) or more of the transaction amount.
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

## **Article 8**

The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is twenty percent (20%) of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. 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. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

## **Article 9**

Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches twenty percent (20%) or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

The calculation of the transaction amounts referred to in the preceding two articles and this paragraph 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.

## **Article 10**

Where a public company acquires or disposes of assets through court auction procedures, the 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 accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:



1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

## **Article 12**

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches ten percent (10%) or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the procedure.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9, Paragraph 2 herein.

When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered

2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches twenty percent (20%) or more of paid-in capital, ten percent (10%) or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of redemption of money market funds issued by domestic securities investment trust enterprises, 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 Audit Committee:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a trading counterparty.
- (3) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations.
- (4) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in

compliance with the preceding article.

- (7) Restrictive covenants and other important stipulations associated with 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 Audit Committee need not be counted toward the transaction amount.

With respect to below transactions made among the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds one hundred percent (100 %) of the issued shares or authorized capital, Board of Directors may pursuant to the procedure delegate the chairperson to decide such matters when the transaction is within NTD 100 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.

- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use
  - (2) Acquisition or disposal of real property right-of-use assets held for business use.
3. The Company that acquires real property or right-of-use assets from a related party shall evaluate the reasonableness of the transaction costs by the following means (where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in below paragraph, and the Company shall also engage a CPA to check the appraisal and render a specific opinion):
  - (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer.
  - (2) "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
  - (3) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.

4. Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with paragraph 2 of this Article and paragraph 3 here do not apply:
  - (1) The related party acquired the real property or right-of-use assets through

inheritance or as a gift.

- (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets to the signing date for the current transaction.
  - (3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
  - (4) The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds one hundred percent (100 %) of the issued shares or authorized capital.
5. When the results of the Company's appraisal conducted in accordance with sub paragraph 1 and 2 under paragraph 3 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 6 of the Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
  - (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
    - i 、 Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
    - ii 、 Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
  - (2) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
  - (3) Completed transactions for neighboring or closely valued parcels of land in the preceding two paragraphs in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than fifty percent (50%) of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
6. Where the Company acquires real property or the right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the Paragraph 3~5 of the Article are uniformly lower than the transaction price, the following steps shall be taken:
  - (1) A special reserve shall be set aside in accordance with related regulations against the

difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under related regulations shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.

- (2) Audit Committee shall comply with Article 218 of the Company Act.
- (3) Actions taken pursuant to preceding 2 subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the paragraphs of this Article if there is other evidence indicating that the acquisition was not an arms length transaction.

### **Article 13**

The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, 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 deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds one hundred percent (100%) of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds one hundred percent (100%) of the respective subsidiaries' issued shares or authorized capital.

### **Article 14**

The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, 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 Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

### **Article 15**

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.

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, demerger, 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, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date 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 preceding subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

## **Article 16**

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality 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 equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

## **Article 17**

The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, 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, that affects the company's financial operations.
- (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.

- (4) An adjustment where any of the companies participating in the merger, demerger, 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, demerger, acquisition, or transfer of shares.
- (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

#### **Article 18**

The contract for participation by the Company in a merger, demerger, acquisition, or transfer of shares shall record the rights and obligations of the companies and shall also record the following:

- (1) Handling of breach of contract.
- (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.
- (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.
- (4) The manner of handling changes in the number of participating entities or companies.
- (5) Preliminary progress schedule for plan execution, and anticipated completion date.
- (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

#### **Article 19**

After public disclosure of the information, if the 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

#### **Article 20**

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall 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.

#### **Article 21**

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

1. The Company's subsidiary shall adopt and implement the procedures for the acquisition or disposal of assets in compliance with these Procedures.
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. "Reaching twenty percent (20%) of paid-in capital or 10% of total assets" specified in the

regulatory of subsidiary reporting and public announcements criteria shall be the paid-in capital or total assets of the parent 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 fifty percent (50%) issued voting shares.
  - (2) each invested Company in which the Company through its subsidiaries indirectly holds more than fifty percent (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 fifty percent (50%) issued voting shares and the rest shall apply the same.

## **Article 22**

The Company should comply with Derivative Instruments Transactions Procedure when engaging in derivatives trading.

## **Article 23**

### **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 24**

Matters not provided herein shall be governed by the relevant laws and regulations and the relevant regulations of the Company.

## **Article 25**

After the procedures have been approved by more than half of all Audit Committee members, this shall be submitted to the board of directors for a resolution and be implemented after approved by a shareholders' meeting. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit his/her dissenting opinion to shareholders' meeting for discussion; the same applies when the procedures are amended.

If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The terms "all Audit Committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

## **Article 26**

Any manager or employee who undertakes responsibilities for acquisition or disposal of assets in violation of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and the Procedure will be subject to penalty according to the Company’s “Personnel Evaluation Committee Regulations.”

## **Article 27**

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

The 14<sup>th</sup> amendment was made on June 27, 2012

The 15<sup>th</sup> amendment was made on June 26, 2014.

The 16<sup>th</sup> amendment was made on June 25, 2015.

The 17<sup>th</sup> amendment was made on June 27, 2017.

The 18<sup>th</sup> amendment was made on June 27, 2019.



## **Appendix 6**

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

#### **Policies and Procedures for Financial Derivatives Transactions**

##### **Article 1**

The Company shall follow the Policies and Procedures when doing financial derivatives transactions. 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 term "derivatives" in these Procedures means products such as Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.

##### **Article 3**

The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

##### **Article 4**

Derivative products that the Company can buy or sell include foreign currency forward contracts, option contracts and swaps of foreign currency as well as interest rate.

##### **Article 5**

###### **Transaction principle and guideline**

The profit of the Company shall be derived from operation. The Company engages in above derivatives transactions shall be based on the principle of hedging currency and interest rate risks only, opportunism transaction are not allowed. The instruments shall meet the Company's actual hedging needs

##### **Article 6**

For derivatives transactions in which the Company engages, loss limit is US\$250,000 of the contract amount in aggregate. The individual contracts loss limit is 10% of the principal amount respectively and shall not exceed US\$250,000. Loss limit is 20% of the contract amount for any individual contract or for all contracts in aggregate. The aforementioned "transaction-oriented" refers to holding /issuing derivative transaction to profit from price difference. "Non-transaction-oriented" or "Hedge-oriented" refers to transactions for other purposes.

##### **Article 7**

###### **Division of authority and duties**

- (1) Finance Department is responsible for building currency strategy and negotiation, as well as setting up quarterly hedging ceiling in accordance with the Procedures based on revenue, export/import quantity and balance position for risk control.
- (2) Finance Department shall pay attention to currency as well as capital position at all times,

submit hedging strategy according to actual needs for President's approval. Any deviation can only be executed upon receiving President's approval.

## **Article 8**

### **Performance assessments**

- (1) The performance assessments are based on the gain or loss between account exchange and interest rate and derivative trading.
- (2) The Finance Department shall assess market prices and evaluate hedging performance. "Transaction-oriented" position shall be evaluated at least once a week; "Non-transaction-oriented" or "Hedge-oriented" position shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.

## **Article 9**

The total contract amount from foreign exchange hedging operation shall not exceed the total foreign currency position of accounts receivable, accounts payable and deposit arising from operation, and shall be reported to the latest BOD meeting after transaction.

Apart from business, any currency hedging should adopt the assets (liability) which are held or anticipated to trade as ceiling. For example, overseas acquisition adopts acquisition price as ceiling, fund lending adopts loan balance as ceiling, overseas equity, bonds or other financial instruments adopts total amount of outstanding balance as ceiling, and could only be executed after BOD approval. However, if BOD approval could not be obtained in advance due to interest of time, Chairperson could be authorized to approve transactions based on evaluation report submitted by finance department, and such transaction shall be reported to the latest BOD meeting after execution.

## **Article 10**

### **Authorization**

- (1) The amount within US\$500 thousand or equivalent foreign currency on each transaction shall be approved by President.
- (2) The amount exceed US\$500 thousand on each transaction shall be approved by Chairman.

## **Article 11**

Finance Department shall evaluate the financial institution with better condition, and engage in derivative trading within the agreement after getting the approval of President and Chairperson.

## **Article 12**

The dealers shall ensure derivative transactions complete and consistent with relevant regulations. After being public, the Company shall submit derivatives transactions as of last month of the Company and its overseas public subsidiaries to the information disclosure website designated by the Securities and Futures Commission on a monthly basis by the 10th of every month.

## **Article 13**

Finance Department shall make trading slip and details regarding derivatives transaction in accordance with transaction voucher and submit to the manager in charge for review. Finance department personnel shall confirm transaction contents with banks are in accordance with the aforementioned trading slips and details and submit to President for approval.

## **Article 14**

The balance from the derivative trading shall be settled by the Finance Department immediately.

## Article 15

The accounting handling towards the Company's derivative transactions will be conducted in accordance with the requirements of the General Acceptable Accounting Principles and the relevant Financial Accounting Principle Statement. The accounting of derivatives transactions entered into by the Company shall be processed pursuant to the Statements of Financial Accounting Standards No. 14 "Accounting for Financial Instruments".

## Article 16

### 1. Internal Control

- (1) The Financial unit's transaction personnel and confirmation and settlement operations personnel may not concurrently serve in more than one of those positions.
- (2) Trading personnel shall submit foreign exchange trading slip to confirmation personnel for record.
- (3) Bookkeeping personnel shall at regular intervals reconcile accounts or records with the trading counterparty.
- (4) Trading personnel shall check total transaction amounts on an ongoing basis to see whether they conform to the ceilings set under these Procedures.

### 2. Risk Management

#### (1) Credit risk

Credit risk is controlled by restricting the counterparties that the Company deals with to those who either have banking relationship with the Company or professional brokerage house to avoid default risk.

#### (2) Market Risk

Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled.

#### (3) Liquidity Risk

Liquidity risk should be controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

#### (4) Operation Risk

The Company shall comply with the authorized trading amount and the rules of operating process in order to avoid the operating risk.

#### (5) Legal Risk

Any legal documents with banks in respect of financial derivative transactions shall first be reviewed by in-house and/or outside legal counsel before being executed to control legal risk.

#### (6) Cash flow Risk

Source found for derivative transaction shall come from the Company's own funds. Operational fund for next three months should be taken into consideration when deciding transaction amount.

### 3. Periodic evaluation

- (1) The Finance Department shall assess market prices and evaluate hedging performance each week. "Transaction-oriented" amount shall be evaluated at least once a week; "Non-transaction-oriented" or "Hedge-oriented" amount shall be evaluated at least twice a month; reports should be delivered to managers with BOD authorization.
- (2) The designated personnel appointed by the board of directors to monitor and control derivatives trading risks on an ongoing basis shall also at regular intervals evaluate whether trading performance accords with established operational strategies, and whether risks assumed are within a tolerable range. They shall at regular intervals

evaluate whether the risk management procedures currently in use are appropriate and scrupulously conducted in accordance with these Procedures.

- (3) The chief financial officer shall monitor the trading and profit and loss situation. When any irregularity is discovered, the chief financial officer shall report to the board of directors. If independent director(s) have been appointed, the board of directors shall have the independent director(s) attend and express an opinion.
- (4) The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 1-2 of this article shall be recorded in detail in the log book.

#### **Article 17**

An internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the audit committee shall be notified in writing.

Manager and dealers shall follow the procedures when doing derivative transactions, if any violation to the procedure or relevant regulations, he/she shall be punished in accordance with Personnel Evaluation Committee regulations..

#### **Article 18**

After the procedures have been approved by more than half of all Audit Committee members, this shall be submitted to the board of directors for a resolution and be implemented after approved by a shareholders' meeting; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit his/her dissenting opinion to shareholders' meeting for discussion.

If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The terms "all Audit Committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

#### **Article 19**

The Procedure was enacted on March 19, 1999.

The 1<sup>st</sup> amendment was made on June 13, 2003.

The 2<sup>nd</sup> amendment was made on June 8, 2006.

The 3<sup>rd</sup> amendment was made on June 25, 2013.

The 4<sup>th</sup> amendment was made on June 27, 2017.

The 5<sup>th</sup> amendment was made on June 26, 2018.

The 6<sup>th</sup> amendment was made on June 27, 2019

## Appendix 7

### Sino-American Silicon Products Inc.

#### Shareholding of Directors

- 1 The total amount of shares of the Company is 586,221,651 shares. The minimum shareholding ratio of all directors is 4%, and the minimum number of shareholding is 18,759,092 shares in compliance with the Article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.
- 2 The Company having established the audit committee has no legal shareholdings for supervisors.
- 3 The Company discloses the shares held by Directors in the shareholder’s register as of April 26, 2021 as the table shown below.

Position	Name	Shareholdings	Note
Chairperson	Hsiu-Lan Hsu	2,971,085	
Vice Chairperson	Tang-Liang Yao	3,300,395	
Director	Ming-Kung Lu	11,400,000	
Director	Wen-Huei Tsai	3,006,191	
Director	Feng-Ming Chang	6,000,000	
Director	Kai-Chiang Company	2,000,000	Representative: Hau Fan
Director	Kun-Chang Investment Co.	2,202,100	Representative: OW Edward Andrew
Independent Director	Chin-Tang Liu	0	
Independent Director	Hao-Chung Kuo	0	
Independent Director	Shao-Lun Li	0	
Total		30,879,771	Reach Statutory Percentage

## **Appendix 8**

### **Other Statement Items**

Explanatory notes for the proposal at the 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, and the proposal is limited to one. In case of violation of the above matters, it will not be included in the motion.
2. Submission period applicable to common shareholders of SAS starts from April 17 to April 27, 2021. The Company has made a public announcement on MOPS.
3. The Company has not received any proposal from shareholders yet.