Stock Symbol: 5483

Sino-American Silicon Products Inc.

2015 Annual Report

Issue Date: May 16, 2016

Information website: http://newmops.twse.com.tw

1.Company Spokesperson:

1.Spokesman
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I. Address and Telephone Number of The Company Headquarter, Subsidiaries, and Plants

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5.Subsidiaries and Plants
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Tel: +886-3-577-2255
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II. Stock Transfer Agency
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III. External Auditor

Name of Accounting Firm: KPMG Taiwan

Name of CPAs: Mei-Yu Tseng, Yung-Hua Huang

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Tel: +886-2-8101-6666

Website: http://www.kpmg.com

IV. Global Depositary Receipt (GDR) Agency

Luxembourg Stock Exchange

How to Query

Website: http://www.bourse.lu

V. Company Website

http://www.saswafer.com

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I. Letter to Shareholders

Sino-American Silicon Products Inc.

Fiscal 2015 Business Report

Dear shareholders,

Thank you for joining SAS annual general shareholder meeting. We deeply appreciate your support.

Due to anti-dumping impact from the US during the first half of 2015 toward the solar industry coupled with exchange devaluation against JP Yen and Euro as well as subsidy reduction from governments, companies in Taiwan have encountered difficulties in operation. Fortunately, a sign of recovery was seen gradually in the solar industry from the second half of 2015. SAS not just focused on the manufacture of high efficiency solar products through leading technology and product differentiation to create a new high in revenue for five consecutive years but considerably offset its gross profit by lowering the debt ratio from 47% to 38%. Whereas due to facts of recognition of capital gain tax by NT$120,000,000 out of reducing GlobalWafers (GWC) the subsidiary's shareholding for an initial public offering, and the increase of income tax derived from the GWC group, a decline in net income of the Company has been seen compared to the prior year. Full year 2015 consolidated net sales of the Company were NT$28.27 billion up 1.61% from NT$27.82 billion in the prior year. Net income was NT$534,840,000 with an EPS of NT$0.93.

The 2015 operating results and 2016 business plan overview are presented as follows.

A. Operation Performance in 2015

1. Operation Performance

Unit: NT$'000

Year / Item	2015 (IFRSs)	2014 (IFRSs)	Change (%)
Operating Revenue	28,269,357	27,821,456	1.61%
Operating Costs	23,998,126	24,324,580	(1.34%)
Gross Profit from Operations	4,271,231	3,497,876	22.11%
Operating Expenses	2,034,619	2,051,082	(0.80%)
Operating Income	2,236,612	1,446,794	54.59%
Income before Tax	1,960,181	1,925,042	1.83%
Net Income	1,056,402	1,299,267	(18.69%)
Net Income Attributable to the Parent Company	534,837	1,128,445	(52.60%)

The increasing demand in China, the US and emerging markets gradually drove the solar recovery in the second half of 2015. Data from the research institute IHS says that the total capacity of global solar installation in 2015 was approximately 59GW, up by over 35% compared to that in 2014. The steady revenue growth of the Company was driven by its flexible production, core technology to high efficiency niche products and product differentiation strategy. Reinvestment in 2015 also showed significant performance. GWC made a contribution of NT$15.31 billion in consolidated revenue with NT$2 billion of net income with an EPS of NT$5.8.

2. Budget Implementation: No financial forecast for 2015

3. Profitability Analysis

Item		2015	2014
Financial structure	Debt ratio (%)	38	47
	Long-term funds to fixed assets (%)	191	204
Profitability	Rate of return on assets (%)	2.57	3.50
	Rate of return on stock equity (%)	4.21	6.16
	Operating income to capital (%)	38.56	24.94
	Income before tax to capital (%)	33.79	33.19
	Net income to sales (%)	3.74	4.67
	Earnings per share (NT$)	0.93	2.06

4. Financial Structure
   2015 revenue is NT$28,269,357,000; operating cost is NT$23,998,126,000. Operating expense is NT$2,034,619,000. Other income is NT$276,431,000. Net income before tax is NT$1,960,181,000. Net income after tax is NT$1,056,402,000. The financial structure is healthy.

5. Research & Development Status

   1) 2015 Research & Development Expenditure

Unit: NT$'000

Item / Year	2015	2014
Research and Development Expenses	790,448	823,128
Net Revenue	28,269,357	27,821,456
%	2.80	2.96

   2) Research & Development Achievement in 2015

Our technology / products

a. 900kg low energy consumption, high quality solar multi-crystalline thermal field design of ingot furnace and ingots growth technology development
b. A5+ ultra-high efficiency multi-crystal ingot growth technology
c. High strength consumption multi-crystal ingot growth technology
d. Solar wafer SiC recovery and recycling technology development

e. Solar wafer slurry recovery and recycle technology and development
f. High efficiency CELCO mono solar cells technology and development

3) Future Plan

(1) A6+ High efficiency low reflectivity multi-crystal solar wafer
(2) 1500kg multi-crystal ingot growth technology
(3) High strength solar wafer
(4) Diamond wire saw slicing technology
(5) High efficiency N-type solar crystal growth technology
(6) G6 hot zone energy conservation technology development

B. 2015 Operation Guideline

(1). Guideline

1) Expand capacity, marketing scale and utilization rate to reduce product costs.
2) Focus on the conversion rate improvement of high efficiency multi-crystal wafers and mono-crystal cell to create core advantage of competitiveness.
3) Strengthen the integration of up, middle and downstream resources so as to expand operating scale for steady development and raise our international competitiveness.
4) Increase strategic alliances in order to accelerate the revenue growth, competitiveness and the ability to meet the market changes.

(2). Sales forecast:

In line with the research report by IHS, the installation demand of the global solar market is expected to remain positive to around 69GW, up 17% compared to the prior year. Three main installation markets will remain in China, Japan and USA. Whereas the Company will keep increasing the capital expenditure and expanding the production of solar silicon wafers and cells in an attempt to push up sales volume of the year surpassing the global market performance.

(3). Sales and Production Policy

1) Enhance channel construction outside the US region with product differentiation marketing strategy.
2) Close collaboration with downstream firms to develop high efficiency and value-added niche products with core technology so as to improve our profitability.
3) To establish sound operating scale, SAS will continue to take the initiative in developing systematical integration with downstream firms and strategy alliance to remain competitive.

(4). Future Strategy

1) Close collaboration with downstream firms to take control of the market demand and development trend so as to step in more international markets among the first grade solar manufactures.

2) Searching for more collaboration opportunities in alliance with up and downstream to further accelerate its strategic arrangement for solar power plants all over the world.

3) Lead in key technology by strategic alliances to accelerate product development and shorten time to reduce production costs and increase competitiveness of the company.

4) Grasping customers of downstream markets through vertical integration of the business group with niche products using core technology of the next generation so as to consolidate the exiting competitiveness and enhance our profitability.

(5). Influences from External Competition, Regulations and Economy

1) With the appearance of new competitors, SAS continues to take the initiative in maintaining the leadership in the high efficiency technology and developing product differential strategy for providing even better products and service.

2) In response to the flat selling prices, SAS will make an effort to control production cost and accordingly integrate with mid and downstream resources to create synergies with more profit possibilities.

3) Increase intellectual property rights with value-added products to improve the competitiveness of the company.

In summary, the fundamentals of the solar industry remain satisfactory in 2016. As the expectation for the solar energy supply in 2016 becomes conservative, with the price decrease of solar modules, demand of solar power energy required by markets worldwide will keep growing. The research institute IHS forecasted the global demand for the solar power energy will reach 75GW by 2019 with total generated power energy of 498GW. In addition to existing high efficiency series of products, SAS will take the initiative to bring in production of R-wafer (robust), thin and powerful high conversion silicon wafers and Celco mono-crystal cell of next generation as well as more efforts to work out downstream module brand operating and system development in order to complete a supply chain from up, mid and downstream. Meanwhile, SAS is fully confident in its excellent technology and market segmentation for profitability to maximize its operating profit to create better prosperity for the best returns to all shareholders.

Finally, we would like to thank every shareholder for supporting SAS over the years. We wish you a healthy and prosperous life.

Chairman Ming-Kung Lu

President Hsiu-Lan Hsu

Chief Account Mei-Ying Chiu

II. Company Profile

2.1 Date of Incorporation: January 21, 1981

2.2 Major Business

CC01080 Electronic component manufacture
IG03010 Energy technology services
F401010 International trade
(1).R&D, designing, manufacturing and sales of the following products:
(1).Silicon-based semiconductor materials and their components
(2).Varistor
(3).Optoelectronic and communication silicon wafer materials
(2).Technical and management consulting services to the business mentioned above.
(3).Technical services to integration and installation of optoelectronic power generation systems
(4).Operation of import/export trade related to the Company core businesses.

2.3 Corporate Milestones

1981	Sino-American Silicon Products Inc. founded.
1982	Pilot production of silicon ingot and wafer succeeded.
1984	Dr. David Yen elected as chairman.
1990	Capital increase to NT$300 million approved.
1991	Automobile rectifier is succeeded in mass production and officially marketing to market.
1991	Turning to the first one, in Taiwan, which is able to do the R&D and mass production of zincoxide varistors on the Company own.
1991	Standing on the second place around the world in automobile rectifier industry with production volume over 2 million units per month, only next to Motorola in terms of total capacity.
1995	Capital increase to NT$400 million.
1995	ISO-9002 quality assurance certificate granted.
1997	The fourth-phase plant reconstruction and expansion completed.
1997	Ms. Lin-Lin Sun elected as chairman.
1997	Capital increase to NT$600 million.
1998	Joint venture with Songlong Electronic Co. Ltd. to manufacture varistors.
1998	Capital increase to NT$800 million.
1998	Investing in Actron Technology Corp.
1999	QS-9000 quality assurance certificate granted.
1999	Kushan Sino Silicon Technology Company, a subsidiary, founded in China.

1999 Capital increase to NT$780 million.

2000 Polish wafers mass production succeeded and assumed to officially run.

2000 Mass production in Kushan Sino Silicon assumed.

2001 The Company officially listed on the Gre Tai Securities Market of Taiwan.

2001 The award and grant due to the "Ultra Thin Wafer-An Innovative Manufacturing Process Technology" are granted by the Science Park Administration.

2002 The grant resulting from the proposal of "High Efficient Ingot Growing Technology for Solar Cell" is granted by the Ministry of Economic Affairs of Taiwan.

2002 Taking over 38.6% of total shares issued by Topsil Semiconductor Materials A/S in Denmark.

2003 8" Silicon Lngot trial and pilot production succeeded.

2004 The grant resulting from the proposal of "The development of 2.5 mohm-cm heavily Arsenic doped silicon substrate" is granted by the Science Park Administration.

2004 The grant resulting from the proposal of "Development of Large Size Pseudo-Square Silicon Wafer for High Efficient Solar Cell" is granted by the Ministry of Economic Affairs in terms of qualifying a leading and innovative product.

2004 SAS Innovation Technology Research Center established.

2004 The grant resulting from the proposal of "Development of High Power electronic device wafer technology"" is granted by the Ministry of Economic Affairs.

2004 ISO 14001 certificate granted.

2004 Recipient of the 12th Industrial Technology Advancement Award： Excellent Enterprise Innovation Award from the Ministry of Economic Affairs

2004 The award and grant resulting from the proposal of "Study on The Sapphire Substrate for Blue Light Emitting Diode Application" are granted by the Science Park Administration.

2005 Initial SOI wafer production succeeded.

2005 Chunan branch established.

2005 TS16949：2002 quality assurance certificate granted.

2005 The award and grant resulting from the proposal of "Deep Diffused Polish wafer Development" is granted by the Science Park Administration.

2005 Beam laying ceremony held in Chunan branch.

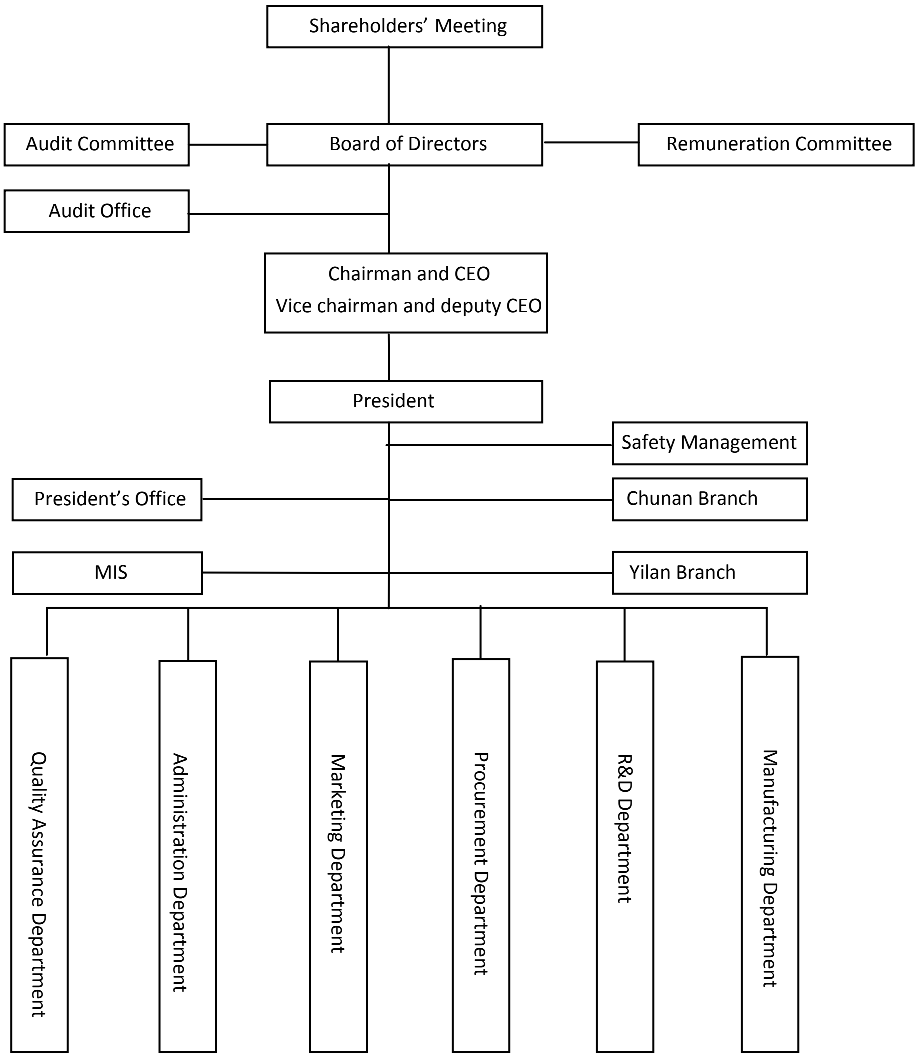
2005	The second-phase capacity expansion of Kunshan Sino Silicon completed.
2006	Trial and pilot production of Solar ingot and wafer in Chunan branch succeeded and assumed to run..
2006	Solar ingot and wafer in Chunan branch officially produced in mass.
2006	Opening ceremony for Chunan branch.
2007	Mr. M. K. Lu elected as chairman.
2008	The acquisition of 100% of GlobiTech Incorporated completed.
2008	Recipient of the 16th Industrial Technology Advancement Award：Outstanding Enterprise Innovation Award from the Ministry of Economic Affairs.
2009	Capacity of 1MW Acquaviva 3 Solar Farm in Bari, Italy installed by our subsidiary Silfab spa.
2010	Chunan Plant II construction completed.
2010	The Industry Excellence Contribution Award granted by the Ministry of Economic Affairs.
2010	The joint venture agreement which is planned to found a new joint venture named Sinosolar Corp. is signed by Sino-American Silicon Products Inc, Solartech Energy Corp and SingTung Investment Ltd. Sinosolar Corp.
2011	TIPS certificate approved.
2011	SAS completed to carve out semiconductor business to GlobalWafers Co., Ltd. and sapphire business to Sino Sapphire Co., Ltd.
2011	Subsidiary, GlobalWafers Co., Ltd., finished acquisition of semiconductor department of Covalent Silicon Corporation
2012	Aegis® Wafer received Silicon Innovation Award in 2012 Solar Industry Awards
2013	Subsidiary, Sino Sapphire Co., Ltd., is merged with Crystalwise Technology Inc.
2013	TIPS certificate approved
2013	Completed a merger with Sinosolar Corporation to integrate its solar business resources.
2013	Won the US patent value top 50 among listed companies in Taiwan
2014	Completed a merger with Sunrise Global Solar Energy
2015	OHSAS 18001 certificate granted for occupational safety and health management
2015	Won the 1st corporate governance rating "OTC companies ranked in the top five percent" performance

2015	SAS join in the solar system area, Palo plant in Philippines started construction
2016	ISO 9001:2015 certificate granted for Chunan branch
2016	ISO 14001:2015 certificate granted for Chunan branch and Yilan branch
2016	Won the 2nd corporate governance rating "OTC companies ranked in the top five percent" performance

III. Corporate Governance

3.1 Organization Structure

3.1.1 Organization Chart



3.1.2 Responsibilities of Major Departments

Department	Responsibilities
Chairman	-Set up business plans, strategies, and targets. -Execute resolutions from Board of Directors Meeting and Shareholder Meeting
Audit Office	-Inspect and assess the soundness, effectiveness and efficiency over the Company's internal control system. -Responsible for the execution, audit and reports over the internal controls.
President and President's Office	-Perform resolutions from meetings of Board of Directors. -Execution of management and projects -Design business plans and strategies -Ensure planned business targets achieved. -Evaluate and analyze business and management performance.
MIS	-Maintain IT hardware & software -Plan and execute E-working
Quality Assurance Department	-Establish and maintain products standards and its relevant inspection standards. -Inspect on purchased materials, tools, production process, and finished products. -Perform product quality improvement activities.
Safety Department	-Define and modify safety and health management standards and systems -Identify and prevent accident and disaster risk -promote staff health and safety and other related business activities
Administration Department	-Manage capital, tax, assets, finance and accounting. -Human resource planning, recruitment, educations, and trainings.
Marketing Department	-Market strategy, explore potential market, customer communication and after service. -Collect market information, customer service and product application, assist the R&D and promotion activities of new products.
Procurement Department	-Procure and purchase -Evaluate new suppliers. -Manage raw materials and suppliers.
R&D Department	-Perform R&D, trial productions, and tests of new or re-designed products. -Enhance production technology and skills, capacity -Design and improve machineries. -Collaborate with academic institutions.
Manufacturing Department	-Manage production and quality, exception, utilization of raw materials, plant constructions and maintenances, human resource arrangement and training, expansion preparation and execution. -Plant construction and maintenance; security over environment, hygiene and safety training -Evaluate and purchase new machineries and in charge of maintenance and improvement.

3.2 Information on the Company's Directors, Supervisors, President, Vice President, Assistant Vice President, and The Supervisors of All The Company's Divisions and Branch Units

3.2.1 Directors and Supervisors

(1) Directors' and Supervisors' Information

April 30, 2016 Unit: Share; %

Title	Nation-ality	Name	Date First Elected	Date Elected	Duration	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	Taiwan R.O.C.	Ming-Kuang Lu	Sep. 7, 1998	Jun. 26, 2014	3 years	10,950,000	1.89	10,950,000	1.89	2,001,685	0.35	0	0	- EMBA program in National Chengchi University - Vice president of LiteOn Technology	Note 1	Supervisor	Su-Mei Yang	Spouse
Vice chairman	Taiwan R.O.C.	Tan-Liang Yao	Nov. 6, 1998	Jun. 26, 2014	3 years	1,858,395	0.36	1,738,395	0.30	14,413	0	0	0	- MBA from Tamkang University - Assistant vice president at Lite-on Semiconductor Corp. - President of the Company	Note 2	N/A	N/A	N/A
Director	Taiwan R.O.C.	Hsiu-Lan Hsu	Sep. 7, 1998	Jun. 26, 2014	3 years	1,931,085	0.37	1,706,085	0.29	0	0	0	0	- M.S. in computer science from University of Illinois - President of Creative Sensor Inc. - Vice president of the Company	Note 3	N/A	N/A	N/A
Director	Taiwan R.O.C.	Kang-Hsin Liu	Jun. 17, 2011	Jun. 26, 2014	3 years	0	0	0	0	0	0	0	0	- National Taiwan Ocean University - Vice Assistant President of Formosa Plastic Group - Director of Chemicals & Fibre Corp.	Note 4	N/A N/A	N/A N/A	N/A N/A
Director	Taiwan R.O.C.	Chin-Lung Chang	Jun. 17, 2011	Jun. 26, 2014	3 years	0	0	0	0	0	0	0	0	- M.S. in Chemical Engineering from Yokohama University - Associate professor in National Taipei University of Technology - Manager of Business/ Overseas Dept. & Supervisor of Nan Ya Plastics Corp. - Supervisor of Formosa Plastic Group	Note 5	N/A N/A	N/A N/A	N/A N/A
Director	Taiwan R.O.C.	Kuei-Chang Hsu	Jun. 26, 2014	Jun. 26, 2014	3 years	0	0	524,759	0.09	0	0	0	0	- HRM master of Texas A&M University - Chairman and president of Sunrise Global Solar Energy	Note 6	N/A	N/A	N/A
Director	Taiwan R.O.C.	Wen-Hui Tsai	Jun. 8, 2006	Jun. 26, 2014	3 years	3,033,191	0.58	2,976,191	0.51	30,490	0	0	0	- Bachelor degree in Accounting from National Chengchi University - Director of Actherm Inc. - Director of Ene Technology	Note 7	N/A	N/A	N/A
Director	Taiwan R.O.C.	Maoyang Corporaton Representative: Tie-Chih Sun	Jun. 13, 2003 Jun. 3, 2009	Jun. 26, 2014 Jun. 26, 2014	3 years 3 years	3,333,639 0	0.64 0	3,333,639 0	0.57 0	0 0	0 0	0 0	0 0	- Master degree in law from National Chengchi University - Supervisor of Career Consulting Co., Ltd.	Note 8	N/A N/A	N/A N/A	N/A N/A
Director	Taiwan R.O.C.	Kai-Chiang Company Representative: Chi-Yao Sun	Jun. 26, 2014 Jun. 26, 2014	Jun. 26, 2014 Jun. 26, 2014	3 years 3 years	300,000 0	0.06 0	920,000 0	0.16 0	0 0	0 0	0 0	0 0	- IMBA master of National Chengchi	Note 9	N/A N/A	N/A N/A	N/A N/A
Director	Taiwan R.O.C.	Kun Chang Investment Co. Representative: May-Yuan Chang	Jun. 17, 2011 Jun. 17, 2011	Jun. 26, 2014 Jun. 26, 2014	3 years 3 years	2,202,100 0	0.42 0	2,202,100 0	0.38 0	0 0	0 0	0 0	0 0	- M.S. in Industrial & Systems Engineering from Ohio State University - President of Captec partners Management Corp. - Chairwoman of Intumit Inc.	Note 10	N/A N/A	N/A N/A	N/A N/A
Director	na	Pan Asia Solar, Ltd. Representative: Szpitalak Ted	Jun. 26, 2014 Jun. 26, 2014	Jun. 26, 2014 Jun. 26, 2014	3 years 3 years	5,000 0	0 0	7,893,888 0	1.36 0	0 0	0 0	0 0	0 0	- Physics department of UNSW -Joint founder of JA Solar Holdings Co., Ltd. (JASO) -Joint founder of China Sunergy Co., Ltd (CSUN) -ARC facility technology chief of UNSW -Faculty of University of New South Wales Australia	Note 11	N/A N/A	N/A N/A	N/A N/A

Title	Nation-ality	Name	Date First Elected	Date Elected	Duration	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
														-Senior facility engineer of Gold Certificate Winner/Pacific Solar Co.Ltd.				
Independent director	Taiwan R.O.C.	Ting-Ko Chen	Jun. 17, 2011	Jun. 26, 2014	3 years	0	0	0	0	0	0	0	0	- Ph.D. in Business Administration from University of Michigan - Chief consultant of Ruentex Group - CEO of Charoen Pokphand Enterprise USA branch - Vice CEO for Formosa Plastic Group J-M company in USA - Chairman of Chin Fong Machine Industrial Co., Ltd. - Professor, manager, dean of NTUBA - Dean of College of Management, Tamkang University - Dean of College of Management, Asia University	Note 12	N/A	N/A	N/A
Independent director	Taiwan R.O.C.	Hsin-Hsien Lin	Jun. 26, 2014	Jun. 26, 2014	3 years	0	0	0	0	0	0	0	0	-EMBA, Tulane University, USA -Director of Lite-on Technology -Supervisor of Silitech Technology -President of Texas Instruments Taiwan branch	Note 13	N/A	N/A	N/A
Independent director	Taiwan R.O.C.	Meng-Hua Huang	Jun. 17, 2011	Jun. 26, 2014	3 years	0	0	0	0	0	0	0	0	- EMBA, Tulane University, USA - Manager/Accounting Supervisor of Texas Instruments Taiwan branch - Vice president of Silitek Corporation - Chief Auditor of Lite-on Group - Vice president of Liteon Technology - Senior vice president of LEOTEK	Note 14	N/A	N/A	N/A

Note 1: Concurrently chairman and CEO of Actron Technology Corporation, chairman of Formerica Optoelectronics Inc., director of Lite-On Semiconductor Corp., director of GlobiTech Incorporated. in U.S., director of GlobalWafers Japan Co., Ltd., legal representative of GlobalWafers Co., Ltd., legal representative of Solar Energy Corp., legal representative of SAS Sunrise Inc., legal representative of SAS Sunrise Pte. Ltd., chairman of Sunrise PV World Co., chairman of Sunrise PV One Co., Ltd., legal representative of GWafers Singapore Pte. Ltd.

Note 2: Concurrently chairman of Kushan Sino Silicon Co. Ltd, director and CEO of Crystalwise Technology, director of GlobiTech Incorporated. in U.S., director of GlobalWafers Japan Co., Ltd., director of Actron Technology Corporation, director of Song Long Electronics Co., Ltd., supervisor of Giga Epitaxy Technology Corp., legal representative of GlobalWafers Co., Ltd., legal representative of Solar Energy Corp., supervisor of Sino-American Material Corp., legal representative of SAS Sunrise Pte. Ltd., legal representative supervisor of Sunrise PV World Co., legal representative of Sunrise PV One Co., Ltd., legal representative of GWafers Singapore Pte. Ltd., remuneration committee of Taiwan Styrene Monomer Corporation, director of Yuan Hong (Shang Dong) Technical Materials Ltd., director of Shanghai Sawyer shenkai Technology Material Co., Ltd.

Note 3: Concurrently chairperson and CEO of subsidiary GlobiTech Incorporated in U.S., chairperson and president of GlobalWafers Co., Ltd., chairperson of GlobalWafers Japan Co., Ltd., vice chairperson of Kushan Sino Silicon Technology Company, director of GWafers Inc., legal representative of Sino-American Material Corp., director of Crystalwise Technology Inc., legal representative of SAS Sunrise Inc., legal representative of SAS Sunrise Pte. Ltd., legal representative of Sunrise PV World Co., legal supervisor representative of Sunrise PV One Co., Ltd., legal representative of GWafers Singapore Pte. Ltd.

Note 4: Concurrently chairman of Solar Energy Corp., chairman of Londee Corp., director of Sunshine PV Corp., chairman of Solar Energy Material and Mega Solar Energy Corp., Ltd., legal representative of True Honour Limited in Samoa, chairperson of Astro Solartech Inc. in U.S., director of Solar PV Corp. in Cayman Island., legal representative of Sinosolar Corp.

Note 5: Concurrently president and director of Solartech Energy Corp., legal representative and president of Sunshine PV Corp., legal representative of Solar Energy Material and Mega Solar Energy Corp., Ltd., legal representative of Astro Solartech Inc. in U.S., director of True Honour Limited in Samoa, director of Solar PV Corp. in Cayman island, legal representative of Solartech Energy Corp in Japan., legal representative of Sino-American Material Corp, legal representative of Sinosolar Corp.

Note 6: Legal representative of Accu Solar Corp

Note 7: Concurrently director of Ene Technology Inc., director of Advanced Wireless Semiconductor Company

Note 8: Concurrently director of Yung Fu Co. Ltd., director of Business World Consulting Co., Ltd., supervisor of Career Consulting Co. Ltd.

Note 9: Concurrently legal director of Taiwan Styrene Monomer Corporation

Note 10: Concurrently president of Captec partners Management Corp., independent director of Taiwan Surface Mounting Technology Corp., independent director of AmTRAN Technology, chairperson and legal representative of Intumit Inc., legal representative of Power Radio, legal representative of 3S Silicon Tech., Inc., director of Superior Plating Technology Co., supervisor of VIA Labs Inc., legal representative of Solar Energy Corp., legal representative of Openfind Information Technology, Inc., legal representative of Jetvox Acoustic Corporation, legal representative of Lens Technology, director of Superior Plating Technology Co.

Note 11: Director of Pan Asia Solar Ltd (BI)/Si Fab Ltd. (BVI), director of GridCo S.r.l.(ITALY), director of Pan Asia Solar Inc(USA)

Note 12: Concurrently chairman of Chinese Academy of Business Foundation, chairman of Institute of Economics, Academia Sinica, honorary professor of National Taiwan Normal University, adjunct professor of management college, member of Namchow Group Remuneration Committee

Note 13: Concurrently chairman of Lite-On Technology Corporation, independent director of RafaelMicro

Note 14: Concurrently director of Kwong Lung Enterprise Co., Ltd., supervisor of Leotek Electronics Corporation

Note 15: Kai-Chiang Company Representative: Mr. Hau Fang resigned on Feb. 19th, 2016.

(2) Major Shareholders of Institutional Shareholders

Table 1: Major Shareholder of Institutional Shareholders

April 30, 2016

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders
Maoyang Corporation	Chang Feng-Ming(76.657%), Hsu Hsu-Hua (4.957%), ThongLo Corporation(16.243%), Chang Hsi-Ning (0.357%), Chang An-Shih (0.357%), Hsu Jia-Li (1.429%)
Kai-chiang Company	Ling-ling Sun(83%), Kai-chang Fang(5%), Hau Fang(7%), Hua Hang(5%)
Kun Chang Investment Company	Christian Faith/Hope/Love Welfare Committee (19.90%), Cross-strait peace Taiwan Faith/Hope/Love Education Foundation (19.90%), Mercy Social Welfare Committee (19.90%), Via Technology Welfare Committee (19.90%)
Pan Asia Solar(BVI)	Pan Asia Solar(BVI) (100%)

Table 2: Major Shareholder(s) to The Company Listed in The Right Hand Column of The Above Table:

April 30, 2016

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders
ThongLo Corporation	Feng-Ming Chang (88.50%), Hsu Hsu-Hua (7.12%), Maoyang Corporation(4.00%), Chang Hsi-Ning (0.19%), Chang An-Shih (0.19%)
Pan Asia Solar(BVI)	Szpitalak Ted(79%) Beilby Bruce Nation(21%)

(3) Director and supervisor information

Conditions / Name	Meet one of the following professional qualification requirements, together with at least five years work experience			Compliance with independence criteria (Note 1)										Selected current positions/number of other public companies concurrently serving as an independent director
	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, College or University	A judge, public prosecutor, attorney, certified public accountant or other professional or technical specialists who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company	Work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company	1	2	3	4	5	6	7	8	9	10	
Directors														
Ming-Kuang Lu			✓					✓		✓		✓	✓	NA
Tan-Liang Yao			✓			✓	✓	✓	✓	✓	✓	✓	✓	NA
Hsiu-Lan Hsu			✓			✓	✓	✓	✓	✓	✓	✓	✓	NA
Kang-Hsin Liu			✓			✓	✓			✓	✓	✓	✓	NA
Chin-Lung Chang			✓			✓	✓			✓	✓	✓	✓	NA
Kuei-Chang Hsu			✓			✓	✓	✓	✓	✓	✓	✓	✓	NA
Wen-Hui Tsai			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NA
Maoyang Corporaton Representative: Tie-Chih Sun			✓	✓	✓	✓		✓	✓	✓		✓		NA
Kai-Chiang Company Representative: Chi-Yao Sun			✓	✓	✓	✓		✓	✓	✓		✓		N/A
Kun-Chang Investment Co. Representative: May-Yuan Chang			✓	✓		✓	✓		✓	✓	✓	✓		2
Pan Asia Solar(BVI) Representative: Szpitalak Ted			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	NA
Ting-Ko Chen	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NA
Shing-Hsien Lin			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NA
Meng-Hua Huang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A

Note 1: A "√" is marked in the space beneath a condition number when a director or supervisor has met that condition during the two years prior to election and during his or her period of service; the conditions are as follows:

(1) Not an employee of the Company or any of its affiliates.

(2) Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent Company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.

(3) The director, or his or her spouse or minor child, does not hold, in his or her own name or in another name, more than 1% of the company's total issued shares, nor is one of the company's top ten natural-person shareholders.

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the fifth degree of kinship, of any of the persons in the preceding three subparagraphs.

(5) Not a director, supervisor, or employee of a institutional shareholder that directly holds 5% or more of the total number of issued shares of the Company or that holds shares ranking in the top five in holdings.

(6) Not a director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified Company or institution that has a financial or business relationship with the Company.

(7) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.

(8) Not a spouse or relative within the second degree of kinship of any other director of the Company.

(9) Not a person of any conditions defined in Article 30 of the Company Act.

(10) Not elected with the conditions of government, juristic person or its representative defined in Article 27 of the Company Act.

1.2.2 Information on the Company's President, Vice President, Assistant Vice President, and the supervisors of all the Company's Divisions and Branch Units as follows:

April 30, 2016 Unit: share; %

Title	Nationality	Name	Date Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity		
				Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	Taiwan R.O.C.	Ming-Kuang Lu	Apr. 2, 2007	10,950,000	1.89%	2,001,685	0.35%	0	0	- EMBA program in National Chengchi University - Vice president of LiteOn Technology	Note 1	N/A	N/A	N/A
Vice Chairman	Taiwan R.O.C.	Tan-Liang Yao	Oct. 1, 1998	1,738,395	0.30 %	14,413	0	0	0	- MBA from Tamkang University - Assistant vice president at Lite-On GMBH. - President of the Company	Note 2	N/A	N/A	N/A
President	Taiwan R.O.C.	Hsiu-Lan Hsu	Feb. 1, 2008	1,706,085	0.29%	0	0	0	0	- M.S. in computer science from University of illinois - President of Creative Sensor Inc. - Vice president of the Company	Note 3	N/A	N/A	N/A
Yi-lan branch President	Taiwan R.O.C.	Kuei-Chang Hsu	Aug. 1, 2014	524,759	0.09%	0	0	0	0	- HRM master of Texas A&M University - Master of machinery institute from Yuan Ze University - Chairman and president of Sunrise Global Solar Energy - Energy institute of Industrial technology research institute	Note 4	N/A	N/A	N/A
Production Vice President	Taiwan R.O.C.	Chun-Hau Shih	Sept. 2, 2014	52,000	0.01%	0	0	0	0	- Bachelor of Engineering Dept. of Cheng-Gong University - Vice president of manufacturing center of Sampotech - Senior vice president of Sunrise Global Solar Energy	N/A	N/A	N/A	N/A
Sales& Marketing Vice President	Taiwan R.O.C.	Yu-Tse Lin	Oct. 1, 2005	50,369	0.01%	0	0	0	0	- Master degree in Mineral and Metallurgical Engineering.,National Cheng Kung University - Vice manager of General Semiconductor Taiwan	N/A	N/A	N/A	N/A
Procurement Assistant Vice President	Taiwan R.O.C.	Ching-Wen Chou	Oct 1, 2009	0	0%	0	0	0	0	- Master degree in Business Administration , University of Long Island,USA - Procurement manager of Wistron NeWeb Corp - Project manager of Symbol Technologes	N/A	N/A	N/A	N/A
R&D Chief	Australia	Szpitalak Ted	Sept. 2, 2014	0	0	0	0	0	0	- Physics department of UNSW -Joint founder of JA Solar Holdings Co., Ltd. (JASO) -Joint founder of China Sunergy Co., Ltd (CSUN) -ARC facility technology chief of UNSW -Faculty of University of New South Wales Australia -Senior facility engineer of Gold Certificate Winner/Pacific Solar Co.Ltd.	Note 5	N/A	N/A	N/A
Material Vice President	Taiwan R.O.C.	Tai-Lung Ma	Jan. 1, 2016	3,000	0	0	0	0	0	- Master degree in Feng Chia University of Science and Technology - Product & Engineer Manager of Song Long Electronics Co., Ltd	N/A	N/A	N/A	N/A
Material Senior Manager	Taiwan R.O.C.	Cheng-Mu Wu	Dec. 1, 2005	10,000	0	0	0	0	0	- Master degree in Electrical Engineering, Minghsin University of Science and Technology - Manufacturing director of GIGABYTE Technology Co. LTD	N/A	N/A	N/A	N/A
Finance Accounting Manager	Taiwan R.O.C.	Mei -Ying Chiu	Apr 27, 2010	61,213	0.01%	55	0	0	0	- Bachelor degree in National Taipei College of Business - Audit of RSM International - Accountant in Middle area of E-Life Mall - Assistant of Carrefour	N/A	N/A	N/A	N/A

Note 1: Concurrently chairman and CEO of Actron Technology Corporation, chairman of Formerica Optoelectronics Inc., director of Lite-On Semiconductor Corp., director of GlobiTech Incorporated. in U.S., director of GlobalWafers Japan Co., Ltd., legal representative of GlobalWafers Co., Ltd., legal representative of Solar Energy Corp., legal representative of SAS Sunrise Inc., ., legal representative of SAS Sunrise Pte. Ltd., chairman of Sunrise PV World Co., chairman of Sunrise PV One Co., Ltd., legal representative of GWafers Singapore Pte. Ltd.

Note 2: Concurrently chairman of Kushan Sino Silicon Co. Ltd, director and CEO of Crystalwise Technology, director of GlobiTech Incorporated. in U.S., director of GlobalWafers Japan Co., Ltd., director of Actron Technology Corporation, director of Song Long Electronics Co., Ltd., supervisor of Giga Epitaxy Technology Corp., legal representative of GlobalWafers Co., Ltd., legal representative of Solar Energy Corp., supervisor of Sino-American Material Corp., legal representative of SAS Sunrise Pte. Ltd., legal representative supervisor of Sunrise PV World Co., legal representative of Sunrise PV One Co., Ltd., legal representative of GWafers Singapore Pte. Ltd., remuneration committee of Taiwan Styrene Monomer Corporation, director of Yuan Hong (Shang Dong) Technical Materials Ltd., director of Shanghai Sawyer shenkai Technology Material Co., Ltd.

Note 3: Concurrently chairperson and CEO of subsidiary GlobiTech Incorporated in U.S., chairperson and president of GlobalWafers Co., Ltd., chairperson of GlobalWafers Japan Co., Ltd., vice chairperson of Kushan Sino Silicon Technology Company, director of GWafers Inc., legal representative of Sino-American Material Corp., director of Crystalwise Technology Inc., legal representative of SAS Sunrise Inc., legal representative of SAS Sunrise Pte. Ltd., legal representative of Sunrise PV World Co., legal supervisor representative of Sunrise PV One Co., Ltd., legal representative of GWafers Singapore Pte. Ltd.

Note 4: Concurrently adjunct director of Accusolar Power Co., Ltd.

Note 5: Concurrently adjunct director of Pan Asia Solar Ltd.(BVI)/Si Fab Ltd (BVI), director of GridCo S.r.l.(ITALY), director of Pan Asia Solar Inc(USA)

3.2.3 Compensation Paid to CEO, President and Vice Presidents

(1) Remuneration Paid to Directors (Independent Directors included)

Date: December 31, 2015 Unit: NTD$ 1000

Title	Name	Remuneration								Total Remuneration (A+B+C+D) as a % of 2015 Net Income		Compensation Earned as Employees of SAS or of SAS Consolidated Entities														Total Compensation (A+B+C+D+E+F+G) as a % of 2015 Net Income		Compensation Paid to Directors from Nonconsolidated Affiliates
		Base Compensation (A)		Severance Pay and Pensions(B)		Bonus to Directors (C)		Allowances (D)				Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Employee Profit Sharing (G)				Exercisable Employee Stock Options (H)		Restricted Stock (I)				
																From SAS		From All Consolidated Entities								
		From SAS	From All Consolidated Entities	From SAS	From All Consolidated Entities	From SAS	From All Consolidated Entities	From SAS	From All Consolidated Entities	From SAS	From All Consolidated Entities	From SAS	From All Consolidated Entities	From SAS	From All Consolidated Entities	Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)	From SAS	From All Consolidated Entities	From SAS	From All Consolidated Entities	From SAS	From All Consolidated Entities	
Director	Ming-Kuang Lu	2,160	2,160	0	0	11,000	15,000	420	535	2.54	3.31	12,941	15,764	108	108	17,340	0	24,727	0	1,800	1,800	0	0	8.22	10.9	NA
Director	Tan-Liang Yao																									
Director	Hsiu-Lan Hsu																									
Director	Kang-Hsin Liu																									
Director	Chin-Lung Chang																									
Director	Kang-Hsin Liu																									
Director	Chin-Lung Chang																									
Director	Kuei-Chang Hsu																									
Director	Wen-Hui Tsai																									
Director	Maoyang Corporaton Representative: Tie-Chih Sun																									
Director	Kai-Chiang Company Representative: Hau Fang																									
Director	Kun-Chan Investment Co. Representative: May-Yuan Chang																									
Director	Pan Asia Solar, Ltd. Representative: Szpitalak Ted																									
Independent Director	Ting-Ko Chen																									
Independent Director	Shing-Hsien Lin																									
Independent Director	Meng-Hua Huang																									

Remark: 1. 2015 actual retirement payment: NTD $0

2. Allowance or funding of pension obligation: NTD $108,000

Remuneration Paid to Directors

Remuneration Paid to Directors	Directors			
	Total Remuneration (A+B+C+D)		Total Compensation (A+B+C+D+E+F+G)	
	From SAS	From All Consolidated Entities (I)	From SAS	From All Consolidated Entities (J)
Under NT$2,000,000	Ming-Kuang Lu Tan-Liang Yao Hsiu-Lan Hsu Kuei-Chang Hsu Wen-Huei Tsai Meng-Hua Huang Ting-Ko Chen Shing-Hsien Lin Kang-Hsin Liu Chin-Lung Chang Maoyang Corporaton Rep: Tie-Chih Sun Kai-Chiang Company Rep: Hau Fang Kun-Chang Investment Co. Rep: May-Yuan Chang Pan Asia Solar Ltd. Rep: Szpitalak Ted	Kuei-Chang Hsu Wen-Huei Tsai Meng-Hua Huang Ting-Ko Chen Shing-Hsien Lin Kang-Hsin Liu Chin-Lung Chang Maoyang Corporaton Rep: Tie-Chih Sun Kai-Chiang Company Rep: Hau fang Kun-Chang Investment Co. Rep: May-Yuan Chang Pan Asia Solar Ltd. Rep: Szpitalak Ted	Kuei-Chang Hsu Wen-Huei Tsai Meng-Hua Huang Ting-Ko Chen Shing-Hsien Lin Kang-Hsin Liu Chin-Lung Chang Maoyang Corporaton Rep: Tie-Chih Sun Kai-Chiang Company Rep: Hau fang Kun-Chang Investment Co. Rep: May-Yuan Chang Pan Asia Solar Ltd. Rep: Szpitalak Ted	Kuei-Chang Hsu Wen-Huei Tsai Ming-Chang Chen Meng-Hua Huang Ting-Ko Chen Shing-Hsien Lin Kang-Hsing Liu Ching-Lung Chang Maoyang Corporaton Rep: Tie-Chih Sun Kai-Chiang Company Rep: Hau fang Kun-Chang Investment Co. Rep: May-Yuan Chang Pan Asia Solar Ltd. Rep: Szpitalak Ted
NT$2,000,000~NT$5,000,000	0	Ming-Kung Lu Tan-Liang Yao Hsiu-Lan Hsu	0	0
NT$5,000,000~NT$10,000,000	0	0	Ming-Kung Lu Tan-Liang Yao Hsiu-Lan Hsu	Ming-Kung Lu Tan-Liang Yao
NT$10,000,000~NT$15,000,000	0	0	0	0

NT$15,000,000~NT$30,000,000	0	0	0	Hsiu-lan Hsu
NT$30,000,000~NT$50,000,000	0	0	0	0
NT$50,000,000~NT$100,000,000	0	0	0	0
Over NT$100,000,000	0	0	0	0
Total	14	14	14	14

(2) Remuneration Paid to Supervisors

The company has been set up the audit committee from 2015, so no remuneration paid to supervisor.

(3) Remuneration Paid to CEO, President and Vice Presidents

Date: December 31, 2015 Unit: NT$ ‘000

Title	Name	Base Compensation (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Employee Profit Sharing (D)				Total Compensation (A+B+C+D)as a% of 2012net Income		Exercisable Employee Stock Options		Exercisable Limited Employee New Shares		Compensation Paid to Directors from Nonconsolidated Affiliates
		From SAS	From All Consolidated Entities	From SAS	From All Consolidated Entities	From SAS	From All Consolidated Entities	From SAS		From All Consolidated Entities		From SAS	From All Consolidated Entities	From SAS	From All Consolidated Entities	From SAS	From All Consolidated Entities	
								Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)							
CEO	Ming-Kung Lu	18,449	20,867	378	378	2,711	3,116	19,740	0	27,127	0	7.72	9.63	2,250	2,250	0	0	None
Vice CEO	Tang-Liang Yao																	
President	Hsiu-Lan Hsu																	
Branch President	Keui-Chang Hsu																	
Vice President	Yu-Tse Lin																	
Vice Manager	Hau-Chun Shih																	
Vice Manager	Ching-Wen Chou																	
R&D Chief	Szptalak Ted																	

Remark: 1. 2015 actual retirement payment: NTD $0

2. Allowance or funding of pension obligation: NTD $378,000

Remuneration Paid to CEO, President and Vice Presidents

Remuneration Paid to Supervisors	Names	
	From SAS	From All Consolidated Entities (E)
Under NT$2,000,000	0	0
NT$2,000,000~NT$5,000,000	0	0
NT$5,000,000~NT$10,000,000	Ming-Kung Lu Tang-Liang Yao Hsiu-Lan Hsu Kuei-Chang Hsu Yu-Tse Lin Hau-Chun Shih Ching-Wen Chou Szpitalak Ted	Ming-Kung Lu Tang-Liang Yao Hsiu-Lan Hsu Kuei-Chang Hsu Yu-Tse Lin Hau-Chun Shih Ching-Wen Chou Szpitalak Ted
NT$10,000,000~NT$15,000,000	0	0
NT$15,000,000~NT$30,000,000	0	Hsiu-Lan Hsu
NT$30,000,000~NT$50,000,000	0	0
NT$50,000,000~NT$100,000,000	0	0
Over NT$100,000,000	0	0
Total	8	8

(4) Employee Profit Sharing Granted to Management Team

Date: December 31, 2015 Unit: NT$ thousand

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Stock (Fair Market Value)</th><th>Cash</th><th>Total Employee Profit Sharing</th><th>Total Employee Profit Sharing Paid to Management Team as a % of 2015 Net Income</th></tr>
<tr><td rowspan="10">Management Team</td><td>Chairman</td><td>Ming-Kung Lu</td><td rowspan="10">0</td><td rowspan="10">20,140</td><td rowspan="10">20,140</td><td rowspan="10">3.77%</td></tr>
<tr><td>Vice Chairman</td><td>Tang-Liang Yao</td></tr>
<tr><td>President</td><td>Hsiu-Lan Hsu</td></tr>
<tr><td>Branch President</td><td>Kuei-Chang Hsu</td></tr>
<tr><td>Sales & Marketing Vice President</td><td>Yu-Tse Lin</td></tr>
<tr><td>Procurement Vice President</td><td>Ching-Wen Chou</td></tr>
<tr><td>Manufacturing Vice president</td><td>Hau-Chun Shih</td></tr>
<tr><td>R&D Chief</td><td>Szpitalak Ted</td></tr>
<tr><td>Accounting Manager</td><td>Mei-Ying Chiu</td></tr>
</table>

3.2.4 Comparison of Remuneration for Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents and Vice Presidents

1. Total Remuneration as a % of 2015 Net Income

Title	2015		2014	
	Form SAS	From All Consolidated Entities	Form SAS	From All Consolidated Entities
Directors	2.54%	3.31%	1.96%	1.85%
Supervisors	0%	0%	0.25%	0.25%
President and Vice President	7.72%	9.63%	5.84%	6.11%

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance.

2.1. Remuneration to the directors and supervisors includes earning distribution and execution fees, which are specified in the Articles of Incorporation, and approved by shareholder meeting. Remuneration to presidents and vice presidents includes salary, bonus and cars along with earning distribution. Board of directors authorizes chairman to pay in accordance with related regulations of SAS.

2.2 Procedures of remuneration

Remuneration to the directors and supervisors are performed in accordance with Article 29 of Articles of Incorporation:

If the Company has profit 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 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. In order to keep sustainable development for the Company and continuous growth on earnings per share, the cash dividends for shareholders shall be no less than 50% of the dividends for shareholders.

Also, execution fee is transportation expenses of each board of directors meeting, remuneration to presidents and vice president are in accordance with operation performance set in forth in Year Plan, its distribution is proceeded according to Procedure of Performance Evaluation and Procedure of Employee Stock Option.

SAS established Remuneration Committee at the end of 2011, which periodically examines performance of directors, supervisors and managers, as well as remuneration policy, system, standard and structure. Report if above-mentioned will be reported in the Board of Directors.

2.3 Connection between operation performance and future risk

Performance evaluation and remuneration of directors, supervisors and managers are measured based on market average, monetary amount, distribution method and future risk of the company. It has a positive correlation with the performance and responsibility of the company's business.

3.3 Implementation of Corporate Governance

3.3.1 Attendance of Directors for Board Meetings

A total of 9 meetings of the board of directors were held in the previous period. Director attendance was as follows: (2015/1/1~2015/12/31)

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Chairman	Ming-Kung Lu	9	0	100%	
Vice Chairman	Tang-Liang Yao	9	0	100%	
Director	Hsiu-Lan Hsu	9	0	100%	
Director	Kang-Hsin Liu	4	5	44%	
Director	Chin-Lung Chang	3	6	33%	
Director	Wen-Huei Tsai	8	1	89%	
Director	Kuei-Chang Hsu	9	0	100%	
Director	Mao-Yang Co.,Ltd Representative: Tieh-Chih Sun	8	1	89%	
Director	Kai-Chiang Company Rep: Hau Fang	7	2	78%	
Director	Kun-Chan	8	1	89%	

	Investment Co. May-Yuan Chang				
Director	Pan Asia Solar Ltd. Rep: Szpitalak Ted	7	1	78%	
Independent Director	Ting-Ko Chen	9	0	100%	
Independent Director	Shing-Hsien Lin	8	0	89%	
Independent Director	Meng-Hua Huang	8	1	89%	

Other mentionable items:

1. If there are the circumstances referred to in Article 14-3 of Securities and Exchange Act and resolutions of the directors' meetings objected to by Independent Directors or subject to qualified opinion and recorded or declared in writing, the dates of meetings, sessions, contents of motions, all independents' opinion and the Company's response to independent directors' opinion should be specified: No abovementioned matters so far.

2. If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance and voting should be specified: No abovementioned matters so far.

▶Szpitalak Ted, as an interested person in the proposal of Major asset purchase discussed at the board of directors on March 24 2015, did not join the discussion and voting to avoid individual conflict of interest in accordance with law.

▶Kuei-Chang Hsu, as an interested person in the proposal of land and building lease contract discussed at the board of directors on June 25, 2015, did not join the discussion and voting to avoid individual conflict of interest in accordance with law.

▶Kuei-Chang Hsu, , as an interested person in the proposal of the appointment of deputy general manager of the company discussed at the board of directors on August 10, 2015, did not join the discussion and voting to avoid individual conflict of interest in accordance with law.

3. Measures taken to strengthen the functionality of the Board (such as Audit Committee, information transparency elevation):

To Strengthen BOD Functionality	Evaluation
Establishment of independent director	Strength objectiveness of independent directors so as to supervise BOD performance
Establishment of remuneration committee	Assist BOD to execute and evaluate overall remuneration and benefit system; periodically examine adequateness of reward for directors, supervisors and managers
Establishment of audit committee	To exercise the securities laws, company laws and other related regulations.
Information transparency	Assigned employee to disclose information and update company website
Strengthen communication with interested parties	SAS has spokesman and deputy spokesman as communication channel for interested parties. We have designated period before AGM for shareholder to propose agendas, which will be reviewed by BOD according to related regulations.
Elevate BOD operation efficiency and decision	SAS has legislated "Rules and Procedures of Board of Directors Meeting" to strength BOD function and improve development of BOD decision.
Advance expertise	SAS' directors and supervisors have to fulfill authorities' training hour requirement, SAS also encourages BOD members to participate in professional courses. Also, SAS advocates regulations in each meeting so as to satisfy government inquiries.

3.3.2 Attendance of Audit Committee

A total of 9 meetings of the audit committee were held in the previous period. Independent director attendance was as follows: (2015/1/1~2015/12/31)

Title	Name	Attendance in Person	Attendance In Proxy	Attendance Rate in Person (%)	Notes
Independent Director	Ting-Kuo Chen	9	0	100%	
Independent Director	Shing-Hsien Lin	8	0	89%	
Independent Director	Mong-Hua Huang	8	1	89%	

Other mentionable items:

1. If there are the circumstances referred to in Article 14-5 of the Securities and Exchange Act and resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified: None
2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None
3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.)
   (1)The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee.
   (2)The Company's CPAs have presented the findings or the comments for the quarterly corporate financial reports, as well as those matters communication of which is required by law, in the regular quarterly meetings of the Audit Committee.

3.3.3 Attendance of Supervisors for Board Meetings

The company has been set up the audit committee, it is not applicable.

3.3.4 Corporate Governance Execution Status and Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"

Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has established the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies." The information has been disclosed on M.O.P.S. (http://mops.twse.com.tw/)	No significant deviation
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The Company has established an internal operating procedure, and has designated appropriate departments, such as Investor Relations, Public Relations, Legal Department, to handle shareholders' suggestions, doubts, disputes and litigation.	No significant deviation
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) The Company monitors shareholding of directors, supervisors, managers and major shareholders with over 10% company shares; submit reports to MOPS monthly.	No significant deviation
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3) Internal control system includes enterprise risk monitoring and operation. SAS also legislates "Supervision and Management of Subsidiary" to execute risk control. SAS also legislates "Procedure of Investment Management" to control import/export, acquisition/deposal of assets, endorsement/guarantee, fund lending of affiliated companies.	No significant deviation
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		(4) To protect shareholders' rights and fairly treat shareholders, the Company has established the internal rules to forbid insiders trading on undisclosed information. The Company has also	No significant deviation

			strongly advocated these rules in order to prevent any violations.	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	V		1. The responsibilities of the board of directors have been clearly cataloged in Article 18 of the Corporate Governance Best-Practice Principles of the Company. Currently there are 14 directors to cover the guideline.	No significant deviation
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		2. The Company has established the remuneration committee and audit committee. Other committee may be considered to be established to meet the need in the future.	No significant deviation
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?	V		3. The company has formulated rules and procedures for evaluating the Board's performance and conducts it annually.	No significant deviation
(4) Does the company regularly evaluate the independence of CPAs?	V		4. The Company evaluates the independence of CPAs annually, ensuring that that they are not stakeholders such as a Board member, supervisor, shareholder or person paid by the Company, and will report to the board of directors.	No significant deviation
4. Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	V		1. We have spokesman/deputy spokesman to keep smooth communication with interested parties. 2. The Company provides detailed contact information, including telephone numbers and email addresses in the "Stakeholder Area" section of the corporate website.	No significant deviation
5. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designates Yuanta Securities to deal with shareholder affairs.	No significant deviation
6. Information Disclosure (1) Establishment of a corporate website to disclose information regarding the Company's financials, business and corporate governance status	V		1. The Company has set up a Chinese/English website to disclose information regarding the Company's financials, business and corporate governance status.	No significant deviation
(2) Other information disclosure channels (e.g., maintaining an English website, designating people to handle information collection and disclosure,	V		2. The Company has assigned an appropriate person to handle information collection and disclosure. The Company has established a spokesman system. Investor conference information is disclosed	No significant deviation

<table>
<tr><td>appointing spokespersons, webcasting investors conference etc.)</td><td></td><td></td><td>on the corporate website (www.saswafer.com).</td><td></td></tr>
<tr><td>7. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</td><td>V</td><td></td><td>(1) Maintenance on Employee rights:
The Company always treats employees with honest and trust and protect employees rights according to Labor Standards Act
(2) Staff care: the Company constructs solid relationship with employees via welfare policy and internal training, such as Employee Welfare Committee, Company tour and Free Health examination.
(3) Stakeholders:
The Company fully discloses via MOPS and official website to familiarize investors with corporal operation, and communicates with investors through shareholder meeting and spokesman.
(4) Supplier relationship:
The Company has maintained stable relationship with suppliers, random audits to ensure suppliers' quality.
(5) The rights of interest-related party: The company has established official website (http://www.saswafer.com) to disclose financial, sales, corporate governance information and stock agency.
(6) Continuing education/training of Directors and Supervisors:
<table>
<tr><th>Title</th><th>Name</th><th>Date</th><th>Host by</th><th>Course</th><th>Duration hours</th><th>Matching Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and GTSM Listed Companies</th></tr>
<tr><td rowspan="3">Chairman</td><td rowspan="3">Ming-Kung Lu</td><td>2015/03/19</td><td>Taiwan Corporate Governance Association</td><td>Corporate merger and legal responsibilities of directors and supervisors</td><td>3</td><td>Yes</td></tr>
<tr><td>2015/08/03</td><td>Taiwan Corporate Governance Association</td><td>CSR and continuous management</td><td>3</td><td>Yes</td></tr>
<tr><td>2016/05/05</td><td>Taiwan Corporate</td><td>Corporate Governance</td><td>3</td><td>Yes</td></tr>
</table></td><td></td></tr>
</table>

			Governance Association	society responsibility and continuous management		
		2016/05/06	Taiwan Corporate Governance Association	Discussion of enterprise management from 3 practices of OTC criterial	3	Yes
Vice Chairman	Tang-Liang Yao	2014/03/19	Taiwan Corporate Governance Association	Corporate merger and legal responsibilities of directors and supervisors	3	Yes
		2015/08/03	Taiwan Corporate Governance Association	CSR and continuous management	3	Yes
		2015/11/10	Taiwan Corporate Governance Association	Risk management and internal control	3	Yes
		2016/05/05	Taiwan Corporate Governance Association	Corporate Governance society responsibility and continuous management	3	Yes
Director	Hsiu-Lan Hsu	2015/03/19	Taiwan Corporate Governance Association	Corporate merger and legal responsibilities of directors and supervisors	3	Yes
		2015/11/10	Taiwan Corporate Governance Association	Risk management and internal control	3	Yes
		2016/05/05	Taiwan Corporate Governance Association	Corporate Governance society responsibility and continuous management	3	Yes
Director	Kang-Hsin Liu	2015/05/14	Taiwan Corporate Governance Association	Offensive and defensive operations in the protection of business Securities	3	Yes
		2015/11/19	Taiwan Corporate Governance Association	With company law (mergers and acquisitions) correction: listed and OTC listed companies in 2016 the Remuneration	3	Yes

				Committee, audit committee, board of directors, regular meeting of shareholders operation points and process		
		2015/12/23	Taiwan Corporate Governance Association	How to strengthen corporate governance through internal control initiative to find drawbacks	3	Yes
		2016/05/06	Taiwan Corporate Governance Association	Discussion of enterprise management from 3 practices of OTC criterial	3	Yes
Director	Chin-Lung Chang	2015/05/14	Taiwan Corporate Governance Association	Offensive and defensive operations in the protection of business securities	3	Yes
		2015/12/23	Taiwan Corporate Governance Association	How to strengthen corporate governance through internal control initiative to find drawbacks	3	Yes
		2016/05/06	Taiwan Corporate Governance Association	Discussion of enterprise management from 3 practices of OTC criterial	3	Yes
Director	Kuei-Chang Hsu	2015/03/19	Taiwan Corporate Governance Association	Corporate merger and legal responsibilities of directors and supervisors	3	Yes
		2015/11/10	Taiwan Corporate Governance Association	Risk management and internal control	3	Yes
		2016/05/05	Taiwan Corporate Governance Association	Corporate Governance society responsibility and continuous management	3	Yes
Director	Wen-Huei Tsai	2015/05/27	Taiwan securities and	Ethics leaders theory	3	Yes

			futures market development foundation	of OTC		
		2015/08/12	Taiwan securities and futures market development foundation	Internal equity transaction guidance of OTC		
		2016/05/05	Taiwan Corporate Governance Association	Corporate Governance society responsibility and continuous management	3	Yes
Director	Mao-Yang Co.,Ltd Rep: Tieh-Chih Sun	2015/03/19	Taiwan Corporate Governance Association	Corporate merger and legal responsibilities of directors and supervisors	3	Yes
		2015/11/10	Taiwan Corporate Governance Association	Risk management and internal control	3	Yes
Director	Kai-Chiang Company Rep: Hau Fang	2015/03/19	Taiwan Corporate Governance Association	Corporate merger and legal responsibilities of directors and supervisors	3	Yes
		2015/08/03	Taiwan Corporate Governance Association	CSR and continuous management	3	Yes
Director	Kun Chang Investment Co. Representative: May-Yuan Chang	2015/03/19	Taiwan Corporate Governance Association	Corporate merger and legal responsibilities of directors and supervisors	3	Yes
		2015/04/14	Taiwan Academy of Banking and Finance	Corporate governance forum	3	Yes
		2016/05/05	Taiwan Corporate Governance Association	Corporate Governance society responsibility and continuous management	3	Yes
		2015/05/14	Taiwan Corporate Governance Association	Offensive and defensive operations in the protection of business securities	3	Yes
Director	Pan Asia Solar Ltd. Rep: Szpitalak Ted	2015/03/19	Taiwan Corporate Governance Association	Corporate merger and legal responsibilities of directors and supervisors	3	Yes
		2015/11/10	Taiwan Corporate Governance Association	Risk management and internal control	3	Yes

		2016/05/05	Taiwan Corporate Governance Association	Corporate Governance society responsibility and continuous management	3	Yes
Director	Ting-Kuo Chen	2015/03/19	Taiwan Corporate Governance Association	Corporate merger and legal responsibilities of directors and supervisors	3	Yes
		2015/11/10	Taiwan Corporate Governance Association	Risk management and internal control	3	Yes
		2016/05/05	Taiwan Corporate Governance Association	Corporate Governance society responsibility and continuous management	3	Yes
Director	Shing-Hsien Lin	2015/03/19	Taiwan Corporate Governance Association	Corporate merger and legal responsibilities of directors and supervisors	3	Yes
		2015/05/13	Taiwan Corporate Governance Association	Guard against fraud	3	Yes
		2015/08/11	Taiwan Corporate Governance Association	The criminal responsibility and case study of directors and supervisors	3	Yes
		2015/12/03	Taiwan securities and futures market development foundation	Securities laws and regulations	3	Yes
		2016/05/05	Taiwan Corporate Governance Association	Corporate Governance society responsibility and continuous management	3	Yes
Director	Meng-Hua Huang	2015/03/19	Taiwan Corporate Governance Association	Corporate merger and legal responsibilities of directors and supervisors	3	Yes
		2015/11/10	Taiwan Corporate Governance Association	Risk management and internal control	3	Yes

Specified in MOPS/ http://mops.twse.com.tw

(7) Status of risk management policies and risk evaluation: The company has legislated

			internal regulations to evaluate and manage risks. (8) Customer policy execution: The Company has maintained stable relationship with customers to create profit. (9) The Company has purchased responsibility insurance for Director, Independent Director and Important Managers to ensure protection of stockholders' rights and exposed at Market Observation Post System (http://newmops.tse.com.tw).
8. Has the company implemented a self-evaluation report 2 on corporate governance or has it authorized any other professional organization to conduct such evaluation? If so, please describe the opinion from the Board, the result of self or authorized evaluation, the major deficiencies, suggestions, or improvements.	V		The Company does not authorize any other professional organization to conduct such an evaluation, therefore not applicable. All functions and internal control system conducted by directors of the Company is subjected to the corporate governance norm.

3.3.5. Operation of Remuneration Committee

1. Member Information

Title	Condition / Name	If independent directors equip with over 5 years of working experience and below qualifications			Independence (Note 1)								Concurrently serving in remuneration committee of other listed companies (Counting in company)	Remark (Note 2)
		Owning qualification of national/private college instructor or above of commence, law, finance or corporal operation-related professions	Certified technicians or judge, prosecutor, lawyer, CPA or corporal operation-related national certifications	Experienced in commence, law, finance, accounting or other corporal operation-related business	1	2	3	4	5	6	7	8		
Independent Director	Ting-Ko Chen	✓			✓	✓	✓	✓	✓	✓	✓	✓	1	NA
Independent Director	Shing-Hsien Lin			✓	✓	✓	✓	✓	✓	✓	✓	✓	NA	NA
Independent Director	Meng-Hua Huang			✓	✓	✓	✓	✓	✓	✓	✓	✓	NA	NA

Note 1: Check in blocks if matching below description in tenure or two years before the tenure.

(1) Not an employee of the company or any of its affiliates.

(2) Not a director or supervisor of the company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary in which the company holds, directly or indirectly, more than 50 percent of the voting shares.

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of 1 percent or more of the total number of issued shares of the company or ranking in the top 10 in shareholding.

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the company or ranks in the top 5 in shareholding.

(6) Not a director, supervisor, managerial officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.

(7) Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, or accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof.

(8) Not matching description in Article 30 of Company Act

Note 2: If a remuneration committee member is director, please specify if matching item5, Article 6 of “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is listed on the Stock Exchange or Traded Over the Counter”

2. Attendance of Remuneration Committee

Title	Name	Attendance in Person(B)	Attendance In Proxy	Attendance Rate in Person (%) (B/A)	Remark
Committee member	Ting-Ko Chen	2	0	100%	
Committee member	Shing-Heien Lin	2	0	100%	
Committee member	Meng-Hua Huang	2	0	100%	

Other mentionable items:

(1) If remuneration committee's suggestions are objected ir modified by BOD, BOD date, term, contents of motions, resolution and countermeasure of remuneration committee's statement (if remuneration resolved by BOD is better than that of remuneration committee, discrepancy and reason should be specified): NA

(2) If any member is against or reserves his/her opinion with record or paper statement regarding committee's resolution, remuneration committee's date, term, contents of motions, resolution and countermeasure of member's statement should be specified: NA

3.3.13 Internal Control System Execution Status

1. Statement of Internal Control System

Sino-American Silicon Products Inc.

Statement of Internal Control System

Date: March 22, 2016

Based on the findings of a self-assessment, Sino-American Silicon Products Inc. (SAS) states the following with regard to its internal control system in 2015:

1. SAS is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. SAS has established such a system aimed at providing reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), (2) reliability of financial reporting, and (3) compliance with applicable laws and regulations.

2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Moreover, the effectiveness of an internal control system may be subject to changes of environment or circumstances. Nevertheless, the internal control system of SAS contains self-monitoring mechanisms, and SAS takes corrective actions whenever a deficiency is identified.

3. SAS evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five components of internal control based on the process of management control: (1) control environment, (2) risk assessment and response, (3) control activities, (4) information and communication, and (5) monitoring. Each component further contains several items. Please refer to the Regulations for details.

4. SAS has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.

5. Based on the findings of the evaluation mentioned in the preceding paragraph, SAS believes that, during the year 2015[*2], its internal control system (including its supervision and management of subsidiaries), as well as its internal controls to monitor the achievement of its objectives concerning operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations, were effective in design and operation, and reasonably assured the achievement of the above-stated objectives.

6. This Statement will be an integral part of SAS's Annual Report for the year 2013 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

7. This Statement has been passed by the Board of Directors in their meeting held on March 22, 2016, with zero of the eleven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Sino-American Silicon Products Inc.

Chairman Ming-Kung Lu

President Hsiu-Lan Hsu

Note 1: When material weakness occurs the design/ execution of public company internal control system, the company shall append explanation after item 4, in which enumerates and specifies the weakness, and the countermeasure/amendment taken before date of balance sheet in the Statement of Internal Control System

Note 2: The date here refers to the ending date of fiscal year

2. Disclose the review report of independent auditors if they are retained for reviewing the internal control system: Not applicable

3.3.14 Punishment on the Company and its Staff in Violation of Law, or Punishment on its Employees in Violation of Internal Control System and Other Internal Regulations, Major Shortcomings and Status of Correction: None.

3.3.15 As of the date of this Annual Report, the following resolutions are adopted regarding annual shareholders' meeting and Board of Directors Meeting.

1. Annual Shareholders' Meeting

Date	Meeting	Resolutions
2015/01/06	Temporary Shareholders Meeting	Approve all business related to GWC's to be listed in Taipei Exchange and purchase of GWC's stocks for capital increase
2015/06/26	Annual Shareholders' Meeting	1.Approve FY 2013 business report and financial statements 2.Approve the proposal for distribution of 2013 loss 3.Approve capital reserve cash distribution 4.Approve to revise the Acquisition or Disposal of Assets Procedures 5.Approve to revise Rules for Endorsement guarantee

2. Board of Directors Meeting

Date	Meeting	Resolutions
2015/01/06	Board of Directors Meeting	1.Propose to release stocks of GlobalWafers Co., Ltd.(GWC) in line with the public offering plan of GWC 2.Amend "Remuneration Committee Charter"
2015/03/24	Board of Directors Meeting	1. Report the 2014 business report and 2014 consolidated and individual financial statements 2.Approve the 2014 profit distribution 3.Discuss the cash dividend distribution from the capital reserve 4.Propose to increase directors at Crystalwise Technology in line with its re-election 5.Major capital purchases of the Company 6.2014 Statements of Internal Control System

		7.Amend Procedures for Acquisition or Disposal of Assets 8.Amend Procedures for Endorsement and Guarantee 9.Amend Directions for the Implementation of Continuing Education for Directors 10. No acceptance for overdue new share issuance from private placement 11. Related matters of 2015 shareholders meeting agenda 12. Special bonus distribution for 2014 directors and managers
2015/05/05	Board of Directors Meeting	1.2015 Q1 consolidated financial statements 2.Appointment report on the evaluation of CPA's competence and independence 3.Report on SAS' completeness of stock release over its subsidiary GWC 4.Amend Corporate Governance Best-Practice Principles 5.Ching-chau Chang and other five shareholders submitted proposal to the shareholders meeting 6.Call meeting for the modification of 2015 general shareholders' meeting
2015/06/25	Board of Directors Meeting	1.Approve Land and building lease contract 2.Approve to establish overseas joint venture company in Cayman Islands 3.Appointment report on the GM of overseas joint venture company in Cayman Islands 4.Establish overseas solar power plant investment project 5.Discuss capital loan to subsidiary 6.Discuss the cash dividend distribution from the capital reserve
2015/08/10	Board of Directors Meeting	1.2014 Q2 consolidated financial statements 2.Appointment report on BOD KPI evaluation 3.Report on subsidiary SAS Sunrise Inc. transfer investment to overseas 4.Report on subsidiary SAS Sunrise Inc. capital loan to strategic alliance partners 5.Discuss for the subsidiary Aleo Solar

		GmbH to establish solar cell plant investment project. 6. Discuss capital loan to subsidiary Aleo Solar GmbH 7. Discuss capital loan to subsidiary Aleo Solar GmbH's investment on solar cell plant. 8. Purchase GWC shares within 15% for capital increase in response to the related matters of GWC's OTC preparation 9. Assign new vice exclusive GM (Kuei-Chang Hsu) 10. Assign new vice GM of SAS Sunrise Inc. 11. Report of Self-Evaluation management project. 12. Set up Audit Committee Assessment Management project 13. Set up Remuneration Committee Assessment Management project 14. Cancel capital loan to subsidiary SAS Sunrise Inc.
2015/08/18	Board of Directors Meeting	To keep the company's credit and shareholders' rights and interests, the company intends to buy back the shares of the company
2015/11/03	Board of Directors Meeting	Capital loan to indirect investment company of Sulu Electric Power and Light Inc.
2015/11/09	Board of Directors Meeting	1. 2014 Q3 consolidated financial statements 2. Report of increase the share ratio to 100% of subsidiary SAS Sunrise Inc. 3. Report of capital increase on New Energy Electric Technology Co., LTD 4. Report of interbank reward summary of directors and managers in 2014 5. Report of buying back the shares of the company during the execution period 6. Amend the procedure of buying back the shares of the company during the execution period 7. Define the method of "Buying-back stock transferring to staff"

		8. Change the project purpose of buying back the treasury shares of the company 9. Capital increase to subsidiary SAS Sunrise Inc. 10. Amend Articles of Incorporation 11. Amend Remuneration of directors 12. Amend Remuneration and wade management of managers 13. Define Application for suspension and resumption of trading operations 14. Discuss for internal audit plan in 2016 15. Loan guarantees to financial institutions for SULU ELECTRIC POWER AND LIGHT PHILS. INC.(SEPALCO)
2015/12/17	Board of Directors Meeting	1. Discuss the appointment of the CPA Fee in 2014 2. Report of Improve the ability to prepare internal financial report 3. Approve 2015 business overview 4. Personnel promotion
2015/02/16	Board of Directors Meeting	1. KPI evaluation report of directors 2. KPI evaluation report of audit committee 3. KPI evaluation report of Remuneration committee 4. Report of the CPA's independence and competency assessment and appointment 5. Establish the subsidiary Sunrise PV World Co. 6. Loan to subsidiary Sunrise PV World Co.
2015/03/22	Board of Directors Meeting	1. Report of execution status on " Improve the ability to prepare internal financial report" 2. Report of Ethical Corporate Management Best Practice Principles in 2014 3. Discuss Remuneration of directors and staffs in 2014 4. Business report and financial report in 2014 5. Approve the proposal of 2014 profit distribution 6. Cash dividend from capital reserve distribution 7. The proposal of 2014 statement of

		internal control 8. Appoint CEO of subsidiary aleo solar GbmH 9. Report of Internal Control System-Self-Evaluation 10. Amend Ethical Corporate Management Best Practice Principles and Action Guideline 11. Amend procedure for handling unethical or dishonest behaviors 12. Convene 2015 shareholders' meeting 13. Discuss Remuneration release of directors and managers 14. Apply for purchasing 17 land areas of Ligong section and Dinglian section in Lize industrial zone from the Industrial Development Bureau of Economy Dept.
2016/05/05	Board of Directors Meeting	1. 2015 Q1 consolidated financial statements 2. Report of Improve the ability to prepare internal financial report 3. Provide the new buildings of computer serves and security Room, etc. in Fab 3, Yilan branch to Mingyang for bank loan guarantee

3. Review on execution of the first extraordinary Shareholders' Meeting resolutions in 2015 (2015/01/06)

1. Approve Purchase GWC shares for capital increase in response to the related matters of GWC's OTC preparation	After the meeting of shareholders resolution, the company in accordance with the contents of the resolution to give up subscription of cash capital increase to GWC, but transfer to subscribe the stocks for all shareholders, the shareholders authorized the board to deal with related matters fully to the case of other matters. GWC's cash capital increase has been completed in 2015/01/29.

4. Review on execution of 2015 Annual Shareholders' Meeting resolutions (2015/06/25)

1. Approve 2014 business report & financial	Approve 2013 business report & financial
2. Approve 2014 profit distribution	AGM resolution: As of the beginning of 2014, the Company's retained earnings based on is NT$0, combining effect of new shares releasing of Sunrise Global

	Solar Energy to offset amounting to NT$685,586,906, the adjustment of actuarial losses in 2014 is NT$50,666,673, the adjustment of retained earnings are NT$(736,253,579), and then adding net profit after tax amounting to NT$1,128,444,682. After setting aside the legal reserve amounting to NT$39,219,110 and special reserve amounting to NT$ 352,971,993, consequently, the unappropriated retained earnings is NT$0. In accordance with the aforesaid, no dividends of shareholders, employees and remuneration of directors will be distributed this year. Approved: 367,226,785 (67,172,943 by e-vote way), rejected: 8,526 (all by e-vote way), abstain by e-vote: 14,897,173, invalid: 0. Passed by vote procedure.
3. Approve cash dividend distribution from the capital reserve of the Company	The Company plans to distribute cash dividend through capital reserve of NT$1,044,056,072. The distribution ratio is determined by the holding ratio of shareholders in the register of shareholders on the record date of the distribution. Each share will be distributed NT$1.8 cash dividend. The dividend payment date is proposed to be August 12, 2015.
4.Approve to revise “Procedures for Acquisition or disposal of Assets”	Execute in accordance with revised “Procedures for Acquisition or disposal of Assets” after resolved by AGM
5.Approve to revise “Endorsement guarantee method”	Execute in accordance with revised “Endorsement guarantee method”

3.3.16 As Of The Date Of This Annual Report, A Director Or A Supervisor Has Expressed Disagreement To A Resolution Passed By The Board Of Directors And Kept Document Or A Written Statement: None.

3.3.17 As Of The Date Of This Annual Report, Resignation Or Dismissal Of Personnel Responsible For Financial Report (Including Chairman, President, Accounting And Audit Managers): None

3.4 Information Regarding Audit Fees

3.4.1 Audit Fees

Accounting Firm	Name of CPA		Audit Period	Note
KPMG	Tseng, Mei-Yu	Yong-Hua Huang	2015.01-2015.12	

Unit: NT$ 1000

Remuneration range \ Item		Audit Fee	Non-audit Fee	Total
1	Under NT$2,000 thousand	-	-	-
2	NT$2,000~NT$4,000 thousand	-	-	-
3	NT$4,000~NT$6,000 thousand	4,900	195	5,095
4	NT$6,000~NT$8,000 thousand	-	-	-
5	NT$8,000~NT$10,000 thousand	-	-	-
6	Over NT$10,000 thousand	-	-	-

Unit: NT$ 1000

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Audit Period	Note
			System Design	Company Registration	Human Resource	Others (Note2)	Subtotal		
KPMG	Tseng, Mei-Yu Yong-Hua Huang	4,900	-	-	-	195	5.095	2015.01.01-2015.12.31	

NOTE 1: When the Company changes its auditors and the accounting firm, shall separately specify audit period and reason in the Note column, and disclose information of audit and non-audit fees.

NOTE 2: Please record non-audit fees separately according to service item, if non-audit fees indicated under "Other" constitute 25 percent of total non-audit fees, the nature of those service items shall be indicated in the Note column.

3.4.2 Non-Audit Fee Paid to Auditors and the Accounting Firm Accounted for More Than One-Fourth of Total Audit Fee Shall Disclose the Amount and The Service Item: None.

3.4.3 When the Company Changes Its Accounting Firm and the Audit Fees Paid for the Fiscal Year in Which Such Change Took Place Are Lower Than Those for the Previous Year, The Reduction in the Amount of Audit Fees, Reduction Percentage, and Reason(S) Therefore Shall Be Disclosed: None.

3.4.4 When the Audit Fees Paid for the Current Year Are Lower Than Those for the Previous Fiscal Year by 15 Percent Or More, the Reduction in the Amount of Audit Fees, Reduction Percentage, and Reason(S) Therefore Shall Be Disclosed: None.

3.5 Information on Replacement of Independent Auditors in the Last Two Years and Thereafter: None.

3.6 The Chairman, President, Finance or Accounting Manager Who Has Worked in the Accounting Firm or Affiliates in the Most Recent Year, the Name, Position and the Service Period Shall Be Disclosed: None.

3.7 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders in Last Year and as of the Date of this Annual Report

3.7.1 Net Change in Shareholding and Net Change in Shares Pledged by Directors, Management and Shareholders with 10% Shareholdings or More

Title	Name	2015		As of April 30, 2016		Note
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	
Chairman	Ming-Kuang Lu	0	0	0	0	CEO of the Company
Vice Chairman	Tang-Liang Yao	0	0	0	0	Vice CEO of the Company
Director	Hsiu-Lan Hsu	(100,000)	0	0	0	President of the Company
Director	Kang-Hsin Liu	0 0	0 0	0 0	0 0	
Director	Chin-Lung Chang	0 0	0 0	0 0	0 0	
Director	Kang-Hsin Liu	0	0	0	0	
Director	Ching-Lung Chang	0	0	0	0	
Director	Kuei-Chang Hsu	0	0	0	0	
Director	Wen-Huei Tsai	0	0	(57,000)	0	
Director	Mao-Yang Co.,Ltd Representative: Tieh-Chih Sun	0 0	0 0	0 0	0 0	
Director	Pan Asia Solar Ltd., Rep: Szpitalak Ted	(6,000,000) 0	0 0	0 0	0 0	
Director	Kai-Chiang Company, Rep: Hau Fang	280,000 0	0 0	0 0	0 0	2016.02.19 Resign
Director	Kai-Chiang Company, Rep: Chi-yao, Sun	280,000 0	0 0	0 0	0 0	2016.02.19 New
Director	Kun Chang Investment Co. Rep: May-Yuan Chang	0 0	0 0	0 0	0 0	
Independent Director	Ting-Kuo Chan	0	0	0	0	
Independent Director	Shing-Hsien Lin	0	0	0	0	
Independent Director	Mon-Hua Huang	0	0	0	0	
Manager	Kuei-Chang Hsu	0	0	0	0	
Manager	Szpitalak Ted	0	0	0	0	
Manager	Hau-Chun Shih	(5,000)	0	0	0	
Manager	Yu-Tze Lin	0	0	0	0	
Manager	Ching-Wen Chou	0	0	0	0	
Manager	Tai -Lung Ma	0	0	0	0	2016.01.01 New
Manager	Chong-wen Wu	0	0	0	0	2016.04.01 New
Account Manager	Mei -Ying Chiu	0	0	0	0	

Note 1: Shareholders with 10% shareholdings or more shall be specified respectively as major shareholder.

Note 2: Shares trading or shares pledge with related parties shall fill in below information.

3.7.2 Shares Trading with Related Parties: None

3.7.3 Shares Pledge with Related Parties: None

3.8 Relationship Information of the Top 10 Shareholders among Who are Related Parties, as Defined in the Statement of Financial Accounting Standard NO.6.

Name	Shareholding		Shareholding under spouse or underage children		Shareholding under other		Top 10 shareholders among who are related parties		Note
	Share	%	Share	%	Share	%	%	Name	
Cathay life insurance Corp.	28,467,450	4.91%	0	0	0	0	NA	NA	
Cathay life insurance Corp. Representative: Hung-Tu Tsai	0	0%	0	0	0	0	NA	NA	
Solartech-energy Corp.	21,860,379	3.77%	0	0	0	0	NA	NA	
Solar Energy Corp. Representative: Kang-Hsin Liu	0	0%	0	0	0	0	NA	NA	
Feng-Ming Chang	11,335,000	1.95%	0	0	0	0	NA	NA	
Ming-Kuang Lu	10,950,000	1.89%	2,001,685	0.35%	0	0	NA	NA	
Public Service Pension Fund Committee	10,383,956	1.78%	0	0	0	0	NA	NA	
Public Service Pension Fund Committee Representative: Je-Shen Chang	0	0%	0	0	0	0	NA	NA	
Mercuries Life Insurance	10,000,000	1.72%	0	0	0	0	NA	NA	
Mercuries Life Insurance, Rep: Chung-Hsin Chao	0	0%	0	0	0	0	NA	NA	
Pan Asia Solar Ltd.	7,893,888	1.36%	0	0	0	0	NA	NA	
Pan Asia Solar Ltd. Rep: SZPITALAK TED	0	0	0	0	0	0	NA	NA	
Taiwan Life Insurance Co., Ltd.	7,322,000	1.26%	0	0	0	0	NA	NA	
Taiwan Life Insurance Co., Ltd. Rep: Su-Tian Chen	0	0	0	0	0	0	NA	NA	
WenYang Chung	6,660,105	1.15%	0	0	0	0	NA	NA	
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund a series of Vanguard Star Funds	5,467, 428	0.94%	0	0	0	0	NA	NA	

3.9 Total Numbers and Equity of Shares Held In any Single Enterprise by the Company, Directors, Supervisors, Managers and Any Companies Controlled Either Directly or Indirectly by the Company

2015/12/31 Unit: 1,000 shares; %

Reinvestment	Investment by SAS		Investments directly or indirectly controlled by directors, supervisors and managers		Total investment	
	Share	%	Share	%	Share	%
Sino Silicon Technology Inc.	48,526,237	100%	0	0	48,526,237	100%
GlobalWafers Co., Ltd.	246,293,000	66.70%	0	0	246,293,000	66.70%
KUNSHAN SINO SILICON TECHNOLOGY CO., LTD.	No shares for Limited Corporation	0	0	100%	No shares for Limited Corporation	100%
GlobiTech Incorporated	0	0	1000	100%	1000	100%
GlobalSemiconductor Inc.	0	0	25,000,000	100%	25,000,000	100%
GlobalWafers Inc.	0	0	90,000,000	100%	90,000,000	100%
GWafers Inc.	No shares for Limited Corporation	0	No shares for Limited Corporation	100%	No shares for Limited Corporation	100%
GlobalWafers Japan Co., Ltd.	0	0	128,002	100%	128,002	100%
Aleo Solar GmbH	No shares for Limited Corporation	100%	No shares for Limited Corporation	100%	No shares for Limited Corporation	100%
Aleo Solar Distribuzione Italia S.r.l.	No shares for Limited Corporation	0	No shares for Limited Corporation	100%	No shares for Limited Corporation	100%
Sino-American Materials Corp.	9,000,000	90%	0	0	9,000,000	90%
SAS Sunrise Inc.	24,500,000	100%	0	0	24,500,000	100%
Sulu Electric Power and Light Inc.	0	0	892,500,000	85%	892,000,000	85%
AMLED International Systems Inc.	0	0	0	0	0	0
Aleo Sunrise GmbH	0	0	No shares for Limited Corporation	100%	No shares for Limited Corporation	100%
SAS Sunrise Pte. Ltd.	0	0	30,934,300	100%	30,934,300	100%
Sunrise PV World Co.	500,000	100%	0	0	500,000	100%

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

1. Issued Shares

Unit: NT/Share

Month/ Year	Price	Authorized		Paid-in		Note		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other that cash	Other
1981/01	10	10,800,000	108,000,000	6,044,663	60,446,630	Cash offering 38,902,043	21,544,587	
1984/08	10	10,800,000	108,000,000	10,800,000	108,000,000	Cash offering 111,946	47,441,424	
1984/11	10	14,000,000	140,000,000	14,000,000	140,000,000	Cash offering 32,000,000	None	
1990/04	10	30,000,000	300,000,000	30,000,000	300,000,000	Cash offering 160,000,000	None	Note 1
1995/11	10	60,000,000	600,000,000	40,000,000	400,000,000	Cash offering 100,000,000	None	Note 2
1998/02	10	60,000,000	600,000,000	60,000,000	600,000,000	Cash offering 200,000,000	None	Note 3
1998/08	10	63,000,000	630,000,000	63,000,000	630,000,000	Capital surplus 30,000,000	None	Note 4
1999/12	10	78,000,000	780,000,000	78,000,000	780,000,000	Cash offering 150,000,000	None	Note 5
1990/10	10	86,421,000	864,210,000	86,421,000	864,210,000	Capital surplus, retained earnings, and capitalization of employee bonus 84,210,000	None	Note 6
2001/10	10	170,000,000	1,700,000,000	100,857,250	1,008,572,500	Retained earnings and capitalization of employee bonus 144,362,500	None	Note 7
2002/10	10	170,000,000	1,700,000,000	105,350,000	1,053,500,000	Retained earnings and capitalization of employee bonus 44,927,500	None	Note 8
2003/09	10	170,000,000	1,700,000,000	109,706,100	1,097,061,000	Capital surplus, retained earnings, and capitalization of employee bonus 43,561,000	None	Note 9
2004/09	10	170,000,000	1,700,000,000	114,593,000	1,145,930,000	Retained earnings and capitalization of employee bonus 48,869,000	None	Note 10
2004/09	10	170,000,000	1,700,000,000	122,300,000	1,223,000,000	Retained earnings and capitalization of employee bonus 77,070,000	None	Note 11
2005/10	10	170,000,000	1,700,000,000	152,300,000	1,523,000,000	Cash offering 300,000,000	None	Note 12
2006/09	10	250,000,000	2,500,000,000	161,000,000	1,610,000,000	Capital surplus, retained earnings, and capitalization of employee bonus 87,000,000	None	Note 13
2006/10	10	250,000,000	2,500,000,000	181,000,000	1,810,000,000	Cash offering 200,000,000	None	Note 14
2006/10	10	250,000,000	2,500,000,000	183,289,000	1,832,890,000	Execution of stock options 22,890,000	None	Note 15
2007/03	10	250,000,000	2,500,000,000	183,692,000	1,836,920,000	Execution of stock options 4,030,000	None	Note 16
2007/05	10	250,000,000	2,500,000,000	186,506,000	1,865,060,000	Execution of stock options 28,140,000	None	Note 17

2007/09	10	250,000,000	2,500,000,000	186,831,000	1,868,310,000	Execution of stock options 3,250,000	None	Note 18
2007/09	10	250,000,000	2,500,000,000	197,241,300	1,972,413,000	Retained earnings and capitalization of employee bonus 104,103,000	None	Note 19
2007/12	10	250,000,000	2,500,000,000	198,366,300	1,983,663,000	Execution of stock options 11,250,000	None	Note 20
2008/02	10	250,000,000	2,500,000,000	198,386,300	1,983,863,000	Execution of stock options 200,000	None	Note 21
2008/05	10	250,000,000	2,500,000,000	199,107,700	1,991,077,000	Execution of stock options 7,214,000	None	Note 22
2008/09	10	250,000,000	2,500,000,000	210,426,710	2,104,267,100	Retained earnings and capitalization of employee bonus 110,860,100 Execution of stock options 2,330,000	None	Note 23
2008/10	10	250,000,000	2,500,000,000	220,426,710	2,204,267,100	Cash offering 100,000,000	None	Note 24
2008/12	10	250,000,000	2,500,000,000	221,177,710	2,221,777,100	Execution of stock options 7,510,000	None	Note 25
2009/04	10	250,000,000	2,500,000,000	221,233,710	2,212,337,100	Execution of stock options 560,000	None	Note 26
2009/05	10	250,000,000	2,500,000,000	221,923,110	2,219,231,100	Execution of stock options 6,894,000	None	Note 27
2009/08	10	350,000,000	3,500,000,000	267,929,276	2,679,292,760	Retained earnings and capitalization of employee bonus 460,061,660	None	Note 28
2009/08	10	350,000,000	3,500,000,000	299,179,276	2,991,792,760	Cash offering 312,500,000	None	Note 29
2009/09	10	350,000,000	3,500,000,000	299,317,276	2,993,172,760	Execution of stock options 1,380,000	None	Note 30
2009/11	10	350,000,000	3,500,000,000	299,441,276	2,994,412,760	Execution of stock options 1,240,000	None	Note 31
2010/03	10	350,000,000	3,500,000,000	299,479,276	2,994,792,760	Execution of stock options 380,000	None	Note 32
2010/04	10	350,000,000	3,500,000,000	299,626,276	2,996,262,760	Execution of stock options 1,470,000	None	Note 33
2010/07	10	350,000,000	3,500,000,000	321,025,580	3,210,255,800	Retained earnings and capitalization of employee bonus 213,993,040	None	Note 34
2010/10	10	500,000,000	5,000,000,000	382,025,580	3,820,255,800	Cash offering 610,000,000	None	Note 35
2011/05	10	500,000,000	5,000,000,000	402,132,190	4,021,321,900	Share swap 201,066,100	None	Note 36
2011/08	10	600,000,000	6,000,000,000	423,119,081	4,231,190,810	Retained earnings and capitalization of employee bonus 209,868,910	None	Note 37
2011/11	10	600,000,000	6,000,000,000	443,119,081	4,431,190,810	Cash offering 20,000,000	None	Note 38
2012/08	10	800,000,000	8,000,000,000	523,119,081	5,231,190,810	Cash offering 80,000,000	None	Note 39
2014/05	10	800,000,000	8,000,000,000	523,143,081	5,231,430,810	Execution of stock options 24,000	None	Note 40
2014/08	10	800,000,000	8,000,000,000	580,031,151	5,800,311,510	New share issuance of a merger with Sunrise Solar Global Energy 56,888,070	None	Note 41

Note 1: Approval Document No. The 26 October 1980 Letter No. Taiwan Finance Securities –I-02824 of the Securities and Futures Commission, Ministry of Finance
Note 2: Approval Document No. The 04 December 1995 Letter No. Taiwan Finance Securities –I-39204 of the Securities and Futures Commission, Ministry of Finance
Note 3: Approval Document No. The 27 November 1997 Letter No. Taiwan Finance Securities –I-85459 of the Securities and Futures Commission, Ministry of Finance
Note 4: Approval Document No. The 10 July 1998 Letter No. Taiwan Finance Securities –I-58663 of the Securities and Futures Commission, Ministry of Finance
Note 5: Approval Document No. The 26 October 1999 Letter No. Taiwan Finance Securities –I-92634 of the Securities and Futures Commission, Ministry of Finance
Note 6: Approval Document No. The 6 October 2000 Letter No. Taiwan Finance Securities –I-83996 of the Securities and Futures Commission, Ministry of Finance
Note 7: Approval Document No. The 26 June 2001 Letter No. Taiwan Finance Securities –I-140364 of the Securities and Futures Commission, Ministry of Finance
Note 8: Approval Document No. The 9 August 2002 Letter No. Taiwan Finance Securities –I-0910144515 of the Securities and Futures Commission, Ministry of Finance
Note 9: Approval Document No. The 25 July 2003 Letter No. Taiwan Finance Securities –I-0920133758 of the Securities and Futures Commission, Ministry of Finance
Note 10: Approval Document No. The 19 July 2004 Letter No. Financial Supervisory –Securities–I-0930132046 of the Securities and Futures Bureau of the Financial Supervisory Commission Executive Yuan
Note 11: Approval Document No. The 29 June 2005 Letter No. Financial Supervisory –Securities–I-0940126037 of the Securities and Futures Bureau of the Financial Supervisory Commission Executive Yuan
Note 12: Approval Document No. The 1 July 2005 Letter No. Financial Supervisory –Securities–I-0940125440 of the Securities and Futures Bureau of the Financial Supervisory Commission Executive Yuan
Note 13: Approval Document No. The 10 July 2006 Letter No. Financial Supervisory –Securities–I-0950128446 of the Securities and Futures Bureau of the Financial Supervisory Commission Executive Yuan
Note 14: Approval Document No. The 12 July 2004 Letter No. Financial Supervisory –Securities–I-0950128620 of the Securities and Futures Bureau of the Financial Supervisory Commission Executive Yuan
Note 15: Approval Document No. The 27 October 2006 Letter No. Science-Park-Listed-Company –0950028768 of Science Park Administration
Note 16: Approval Document No. The 3 March 2007 Letter No. Science-Park-Listed-Company –0960006570 of Science Park Administration
Note 17: Approval Document No. The 1 May 2007 Letter No. Science-Park-Listed-Company –0960011004 of Science Park Administration
Note 18: Approval Document No. The 17 July 2007 Letter No. Taiwan Finance Securities –I-0960011004 of the Securities and Futures Commission, Ministry of Finance
Note 19: Approval Document No. The 13 September 2007 Letter No. Science-Park-Listed-Company –0960025181 of Science Park Administration
Note 20: Approval Document No. The 5 December 2007 Letter No. Science-Park-Listed-Company –0960033158 of Science Park Administration
Note 21: Approval Document No. The 15 February 2008 Letter No. Science-Park-Listed-Company –0970007484 of Science Park Administration
Note 22: Approval Document No. The 14 May 2008 Letter No. Science-Park-Listed-Company –0970012289 of Science Park Administration
Note 23: Approval Document No. The 1 September 2008 Letter No. Science-Park-Listed-Company –0970023820 of Science Park Administration
Note 24 Approval Document No. The 5 November 2008 Letter No. Science-Park-Listed-Company –09700031254 of Science Park Administration
Note 25: Approval Document No. The 1 December 2008 Letter No. Science-Park-Listed-Company –0970033918 of Science Park Administration
Note 26 Approval Document No. The 13 April 2009 Letter No. Science-Park-Listed-Company –0980010288 of Science Park Administration
Note 27 Approval Document No. The 13 May 2009 Letter No. Science-Park-Listed-Company –0980012552 of Science Park Administration
Note 28: Approval Document No. The 14 August 2009 Letter No. Science-Park-Listed-Company –0980021402 of Science Park Administration
Note 29: Approval Document No. The 28 August 2009 Letter No. Science-Park-Listed-Company –0980024305 of Science Park Administration
Note 30: Approval Document No. The 28 September 2009 Letter No. Science-Park-Listed-Company –0980027608 of Science Park Administration
Note 31: Approval Document No. The 30 November 2009 Letter No. Science-Park-Listed-Company –0980033989 of Science Park Administration
Note 32: Approval Document No. The 29 April 2010 Letter No. Science-Park-Listed-Company –0990012116 of Science Park Administration
Note 33: Approval Document No. The 4 June 2010 Letter No. Science-Park-Listed-Company –0990015583 of Science Park Administration
Note 34: Approval Document No. The 2 July 2010 Letter No. Science-Park-Listed-Company –0990018384 of Science Park Administration
Note 35: Approval Document No. The 15 October 2010 Letter No. Science-Park-Listed-Company –0990031133 of Science Park Administration
Note 36: Approval Document No. The 5 May 2011 Letter No. Science-Park-Listed-Company –1000011943 of Science Park Administration
Note 37: Approval Document No. The 31 August 2011 Letter No. Science-Park-Listed-Company –1000025568 of Science Park Administration
Note 38: Approval Document No. The 8 November 2011 Letter No. Science-Park-Listed-Company –1000033672 of Science Park Administration
Note 39: Approval Document No. The 7 August 2012 Letter No. Science-Park-Listed-Company –1010024319 of Science Park Administration
Note 40: Approval Document No. The 8 May 2014 Letter No. Science-Park-Listed-Company –1030012459 of Science Park Administration
Note 41: Approval Document No. The 27 August 2014 Letter No. Science-Park-Listed-Company –1030025712 of Science Park Administration

2. Type of Stock

Type of Stock	Authorized Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Common Stock	580,031,151 (include 5,555,000 treasury stocks)	219,968,849	800,000,000	OTC Stock

3. Shelf Registration: NA

4.1.2 Shareholder Structure

Date: April 30, 2016

Structure / Number	Government Agencies	Financial Institutions	Other Juridical Persons	Individuals	Foreign Institution & Persons	Total
Number	3	2	187	78,594	219	79,005
Ownership (Share)	10,384,406	5,834,456	110,440,948	389,371,445	63,999,896	580,031,151
Ownership (%)	1.79%	1.01%	19.04%	67.13%	11.03%	100.00%

Note:

1.Foreign issuers shall specify its Chinese ownership: Chinese ownership refers to Chinese people, legal entity, group, other institute or companies invested by third area, the aforementioned are stipulated in Article 3 of Statute For Investment By Overseas Chinese.

2.The ownership percentage of China investors is 0.06%.

4.1.3 Diffusion of Ownership

1. Common Shares

Each share having a par value of NT$ 10

Date: April 30, 2016

Shareholder Ownership (Unit: Share)	Number of Shareholders	Ownership (Share)	Ownership (%)
1~999	26,414	3,423,421	0.59%
1,000~5,000	39,171	82,494,678	14.22%
5,001~10,000	7,035	53,139,688	9.16%
10,001~15,000	2,301	28,602,812	4.93%
15,001~20,000	1,251	22,914,673	3.95%
20,001~30,000	1,122	28,030,031	4.83%
30,001~40,000	465	16,563,796	2.86%
40,001~50,000	300	13,852,117	2.39%
50,001~100,000	530	37,824,248	6.52%
100,001~200,000	214	29,458,857	5.08%
200,001~400,000	102	28,416,865	4.90%
400,001~600,000	33	16,400,230	2.83%
600,001~800,000	17	11,894,831	2.05%
800,001~1,000,000	5	4,456,172	0.77%
Over 1,000,001	45	202,558,732	34.92%
Total	79,005	580,031,151	100.00%

4.1.4 Major Shareholders

Date: April 30, 2016

Share / Name	Ownership (Share)	Ownership (%)
Cathay life insurance Corp.	28,467,450	4.91%
Solartech-energy Corp.	21,860,379	3.77%
Feng-Ming Chang	11,335,000	1.95%
Ming-Kuang Lu	10,950,000	1.89%
Public Service Pension Fund Committee	10,383,956	1.79%
Fubon Financial	10,000,000	1.72%
Pan Asia Solar Ltd.	7,893,888	1.36%
Taiwan Life Insurance C., Ltd	7,332,000	1.26%
WenYang Chung	6,660,105	1.15%
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund a series of Vanguard Star Funds	5,467,428	0.94%

4.1.5 Market Price, Net Worth, Earnings, Dividends per Share for the Recent Two Years

Item		Year	2014	2015	2016/1/1~2016/3/31
Market Price per Share	Highest		61.6	54.6	46.1
	Lowest		42.55	27.45	35.5
	Average		52.23	41.66	41.01
Net Worth per Share	Before Distribution		36.03	39.63	40.19
	After Distribution		32.43	Note1	NA
Earnings per Share	Weighted Average Shares (thousands)		546,844	578,179	574,476
	Earnings per Share	Before adjustment	2.06	0.93	0.36
		After adjustment	2.06	0.93	NA
Dividends per Share	Cash Dividends		-	Note 1	NA
	Stock Dividend	Retained Earning	-	Note 1	NA
		Capital Surplus	-	Note 1	NA
	Accumulated undistributed dividends		-	Note 1	NA
Return on Investment	Price/Earnings Rate		25.28	44.80	113.92
	Price/Dividend Rate		-	Note 1	-
	Cash dividend Yield		-	Note 1	-

Note 1: Pending 2015 shareholders' approval

4.1.6 Dividend Policy and Execution Status

1. Dividend Policy

(1)The dividend policy of the Company is based on Company Act and Articles of Incorporation so as to ensure its steady operation and equity of shareholders.

(2) If the Company has profit as a result of the yearly accounting closing, it will be distributed after taxes paid, making up for the previous loss, distributing or reversing special earning reserve according to the law or competent authority. The remaining balance of annual income, if any, can be distributed at most 3% as remuneration to Directors and Supervisors and at least 5% as employee bonuses, the rest plus the accumulated undistributed earnings of the previous period of the profit shall be as dividends to stockholders.

(3) In order to keep sustainable development for the Company and continuous growth on earnings per share, the cash dividends for shareholders shall be no less than 50% of the dividends for shareholders.

Employees entitled to stock bonus may include subsidiaries' employees that meet certain criteria set by the board of directors.

The 2016 shareholders' meeting Plans to revise the contents as follows

Dividend policy

1. If the company get annual profit, it should set aside 3% to 5% for the remuneration of the staff, by the board of directors will resolution to assignment of stock or cash payment, the staff who receive the remuneration should meet certain conditions of the company; If the company has more than the amount of profit, by resolution of the board of Directors will resolution to assignment to no more than three percent as directors remuneration. The remuneration of staffs and the directors should be reported to the shareholders. If the

company still has accumulated losses, it should reserve in advance for the amount and proportion, and then release the aforesaid promote remuneration to staffs and directors.

If the company's annual accounts have earnings, it could set aside 10% of the after tax profit and accumulated losses as the legal reserve except the reserve has equaled the capital, the rest could be set aside according to law or to special reserve. If there is a surplus, the board intends to have a surplus distribution of the motion with the cumulative distribution; the shareholders will be drawn to the shareholders to allocate the dividend bonus. To keep on the company's sustainable development and earnings per share (EPS) stable growth, dividends to shareholders and the annual after tax earnings deduction shall be listed in special surplus of more than 50% as the principle, distribution ratio to the cash dividend is not lower than 50%

2. Dividend allocation
The dividend allocation in 2015 was passed by the Boards of directors in March 22, 2016, the detail dividend allocation is as follows:
To set aside NT$ 459,580,921 as cash dividend from earing in 2015, NT$0.8 per stock. After being approved by Boards of directors, set up July 24, 2016 as EX dividend date, August 10, 2016 as dividend payment date, to authorize the chairman according to shareholders to pseudo distribution to shareholders as total cash dividend decisions, according to the distribution of dividends date of actual circulation shares outstanding to adjust the shareholders cash dividend distributing ratio.

The capital reserve to cash dividend allocation in 2015 was passed by the Boards of directors in March 22, 2016, the detail dividend allocation is as follows:
To set aside NT$402,133,306 from capital reserve excess, NT$0.7 per stock. After being approved by Boards of directors, set up July 24, 2016 as allocation date, August 10, 2016 as dividend payment date, to authorize the chairman according to shareholders to pseudo distribution to shareholders a total capital reserve decisions, according to the distribution of dividends date of actual circulation shares outstanding to adjust the shareholders distributing ratio.

3. Expected dividend policy major changes: none.

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

Item / Year		2016 (Expected)
Beginning paid capital		NT$ 5,800,312,000
rationed shares and interests	Cash dividend per share (Note 1)	NT$ 1.5
	Surplus to capital per share (Note 1)	0
	Capital reserve to capital per share	0
Revenue performance	Revenue profit	NA (Note2)
	Revenue profit increase(decrease) ratio with last year	
	Net profit after tax	
	Net profit after tax increase(decrease) ratio with last year	
	Earnings per share	
	Earnings per share increase(decrease) ratio with last year	
	Yearly Return ratio on investment (The average annual earnings)	

Preparation of earnings per share and earnings	If the surplus is transferred to the capital increase in cash dividends	Preparation of earnings per share	
		Preparation of Yearly Return ratio on investment	
	If capital reserve not transferred to the capital increase	Preparation of earnings per share	
		Preparation of Yearly Return ratio on investment	
	If not for the capital reserves and transfer surplus capital to cash dividend increase	Preparation of earnings per share	
		Preparation of Yearly Return ratio on investment	

Note 1：Approval of the Annual Meeting of Shareholders in 2016

Note 2: According to Public Financial Forecast Information Rule to the Public Company, the company hasn't publish the completed financial forecast, no need to public the yearly expected information in2016 as rule.

4.1.8 Employee Bonus and Directors' and Supervisors' Remuneration

1. Percentage of dividends for employees and remuneration for directors in the Articles of Incorporation:

   If the Company has profit as a result of the yearly accounting closing, it will be distributed after taxes paid, making up for the previous loss, distributing or reversing special earning reserve according to the law or competent authority. The remaining balance of annual income, if any, can be distributed at most 3% as remuneration to Directors and Supervisors and at least 5% as employee bonuses, the rest plus the accumulated undistributed earnings of the previous period of the profit shall be as dividends to stockholders.

   The annual shareholder's meeting in 2016 plans to modify the items as below:

   If the company get annual profit, it should set aside 3% to 5% for the remuneration of the staff, by the board of directors will resolution to assignment of stock or cash payment, the staff who receive the remuneration should meet certain conditions of the company; If the company has more than the amount of profit, by resolution of the board of Directors will resolution to assignment to no more than three percent as directors remuneration. The remuneration of staffs and the directors should be reported to the shareholders. If the company still has accumulated losses, it should reserve in advance for the amount and proportion, and then release the aforesaid promote remuneration to staffs and directors.

2. Proposal to Distribute Profits

   The board of directors has approved on March 22nd, 2016.

   (1) Allocation for employee stock bonus or Directors' and Supervisors' remuneration:

   Allocate NT$11,000,000 for Director's and Supervisor's remuneration, NT$58,371,967 for employee stock bonus in 2015. Allocation for employee stock bonus or Directors' and Supervisors' remuneration in 2015 should follow the revised company chapter No. 29 which defines to set aside 1.49% and 7.9% each according to net profit before tax.

   (2) Ratio of employee stock bonus to capitalization of earnings: NA

   (3) Recommended distribution of employee bonus and directors' and supervisors' remuneration has no differences with estimation, therefore, no need to disclose reason, variance and dealing: NA.

   (4) 2015 distribution of employee bonus and directors' and supervisors' remuneration is the same with proposal.

4.1.9 Repurchase of Company Shares:

April 30th, 2016

Buy back time	The 3rd time
Buy back proposal	Transfer the shares to employees
Buy back period	Aug.24th, 2015 to Sep. 25th, 2015
Buy back price	NT$28 ~45 Buy back at a price lower than the lower limit of the price during the last period。
Buy back share quantities	5,555,000 common shares
Buy back share amount	NT$169,860,791
Cancelled or transferred stock shares	0
Total share quantities	5,555,000
Total held share quantities proportion of total issued shares（%）	0.96%

4.2 Status of Corporate Bonds: NA

4.3 Status of Preferred Stocks: NA

4.4 GDR Issuance

Date: March 31, 2016

Date of Issuance			September 8, 2011
Issuance and Listing			Luxembourg Stock Exchange
Total Amount			US$ 177,192,800
Offering Price per GDS			US$ 2.9048
Units Issued			61,000,000 Units
Underlying Securities			Common shares of Sino-American Silicon Products Inc.
Common Shares Represented			61,000,000 Shares
Rights and Obligations of GDS Holders			1. Holders of GDSs shall be entitled, in accordance with the provisions of the Deposit Agreement and the applicable provisions of laws and regulations of the ROC, to exercise the voting rights of the underlying common shares represented by the GDSs. 2. Subject to the laws and regulations of ROC, the GDSs holders have the same rights to distributions of dividends as shareholders of common stocks. If SAS declares stock dividends or other distribution of common shares in the future, the Depositary shall, in accordance with the provisions of the Deposit Agreement and relevant applicable laws and regulations, issue correspondent units of new GDSs and allocate them to the GDSs holders on a pro-rata basis to their respective GDSs holding, increase the number of the underlying common shares represented by each unit of GDS, or sell, for and on behalf of the holders of GDSs, such stock dividends and distribute the proceeds (net of the applicable taxes and expenses) to the GDSs holders in proportion to the number of GDSs held by them. Subject to compliance with the relevant applicable laws and regulations, the GDSs holders have the same pre-emptive rights as SAS shareholders of common stocks in the event of a rights offering or other similar offering by SAS. The Depositary shall, to the extent permitted by the Deposit Agreement and the relevant laws and regulations, provide such pre-emptive rights to GDSs holders or sell such rights, for and on behalf of the GDSs holders, and distribute the proceeds (net of the applicable taxes and expenses) to the GDSs holders in proportion to the number of GDSs held by them.
Trustee			Not Applicable
Depositary Bank			Citibank, N.A.
Custodian Bank			Citibank Taiwan Ltd.
GDSs Outstanding			456,750
Apportionment of expenses for the issuance and maintenance			All fees and expenses such as underwriting fees, legal fees, listing fees and other expenses related to issuance of GDSs were borne by SAS and the selling shareholders, while maintenance expenses such as annual listing fees were borne by SAS.
Terms and Conditions in the Deposit Agreement and Custody Agreement			-
Closing Price per GDS	2015	High	US$ 1.750
		Low	US$ 0.830
		Average	US$ 1.321
	01/01/2016~ 03/31/2016	High	US$ 1.390
		Low	US$ 1.100
		Average	US$ 1.235

4.5 Employee Stock Options

i.Issuance of Employee Stock Options

Date: March 31, 2016

Type of Stock Option	First Tranche
Regulatory approval date	2010.11.12
Issue date	2011.08.10
Units issued	10,000,000
Option shares to be issued as a percentage of outstanding shares	1.724%
Duration	6 years
Conversion measures	Issue new stock
Conditional conversion periods and percentages	Full 2 years: 40% Full 3 years: 60% Full 4 years: 80% Full 5 years: 100%
Converted shares	24,000
Exercised amount	1,346,400
Number of shares yet to be converted	9,976,000
Adjusted exercise price for those who have yet to exercise their rights	55.10
Unexercised shares as a percentage of total issued shares	1.7199%
Impact on possible dilution of shareholdings	None

ii.lList of Executives Receiving Employee Stock Options and the Top 10 Employees with Options Valued in Excess of NT$30 Million

Date: March 31, 2016 Unit: NTD

	Title	Name	No. of Option Shares	Option Shares as a Percentage of Shares Issued	Exercised				Unexercised			
					No. of Shares Converted	Strike Price (NT$)	Amount (NT$ thousand)	Converted Shares as a Percentage of Shares Issued	No. of Shares Converted	Strike Price (NT$)	Amount (NT$ thousand)	Converted Shares as a Percentage of Shares Issued
Managers	Chairman	Ming-Kuang Lu	3,590,000	0.45%	0	0	0	0%	2,872,000	52.4	150,492,800	0.50%
	Vice Chairman	Tan-Liang Yao										
	President	Hsiu-Lan Hsu										
	Vice President	Ching-Chang Chin										
	Vice President	Hao-Chun Shih										
	Vice President	Yu-Tse Lin										
	Assistant Vice President	Ching-Wen Chou										
	Assistant Vice President	Tai-lung Ma										
	Manager	Mei -Ying Chiu										
Employees	Employee	Yu-Hsin Lin	780,000	0.13%	24,000	56.1	1,346,400	0.0041%	600,000	52.4	31,440,000	0.10%
	Employee	Wei-Wen Chen										
	Employee	Chin-Chen Chiu										
	Employee	Wei-Ko Huang										
	Employee	Chen-Huei Chang										
	Employee	Ming-Sung Yan										
	Employee	Sung-Lin Hsu										
	Employee	Sheng-Hsiung Hung										
	Employee	Hsin-Chung Chao										
	Employee	Jung-Tsung Wang										

4.6 Status of New Shares Issuance of Limited Stocks for Employees: NA

4.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: NA

4.8 Financing Plans and Implementation: NA

V. Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

1. The Company shall engage in the following business:
   CC01080 Electronic Parts and Components Manufacturing
   F401010 International Trade
   IG03010 Energy-related Technology and Service

   (1) Research and development, design, manufacture and sell of the following products:
   - Silicon-based semiconductor materials and their components
   - Varistor
   - Photovoltaic and communication materials

   (2) The technology, management and advisory business related to the products listed above.
   (3) Photovoltaic system integration and installation services.
   (4) Import-export activities related to the above mentioned business.

2. Revenue distribution

Unit: NT$1000; %

Major Divisions	Total Sales in Year 2015	(%) of total sales
Solar Ingot	69,111	0%
Solar Wafer	4,741,481	17%
Semi Ingot	1,177,490	4%
Semi Wafer	13,614,573	48%
Solar Cell	1,485,793	5%
Solar Module	3,771,114	14%
Others	3,409,795	12%
Total	28,269,357	100%

3. Current Products and Service

(1) A5+ Ultra high efficiency multi-crystal solar wafer
(2) A4+ Super high efficiency multi-crystal solar wafer
(3) A3+ High efficiency multi-crystal solar wafer
(4) High efficiency single crystal cell
(5) Multi Crystal ingot
(6) High efficiency crystal cell
(7) Ultra-thin wafer
(8) High efficiency multi-crystal cell
(9) N-type crystal cell

(10)Single crystal ingot
(11)Black wafer (ow resistivity)
(12) Single crystal wafer

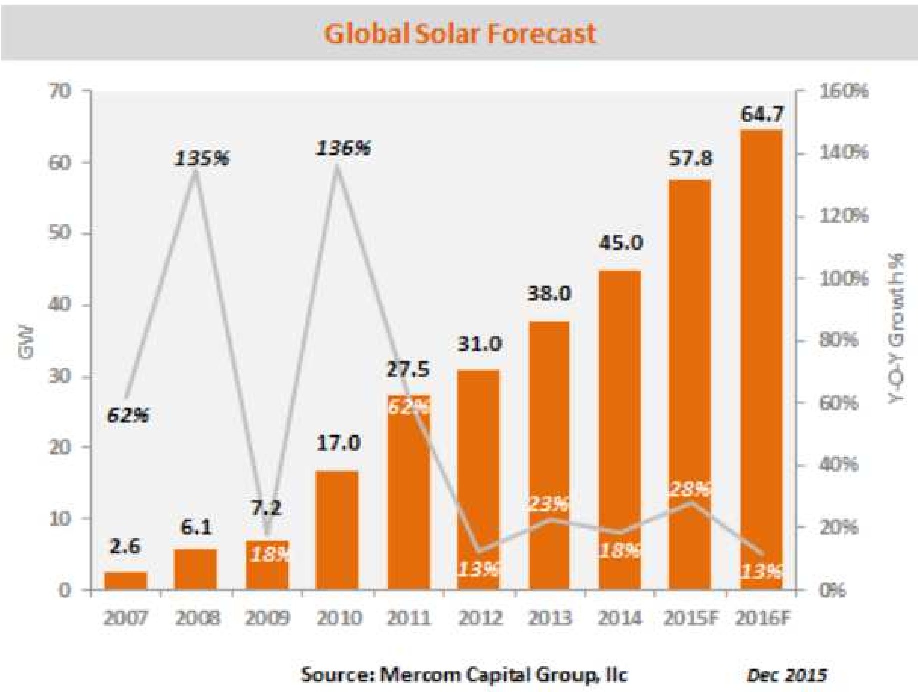
4.Future New Technology and Products
(1)A6+ ingot growth technology
(2)1500kg Multi-crystal ingot growth and brick surface grinding technology
(3)high intensity solar wafer
(4)Diamond line slicing technology
(5)High efficiency N-type crystal growth technology
(6)G6 power saving hot-zone technology

5.1.2 Industry Overview

1. Industrial Current Status and Future Development

(1) Solar

The end customer's demand keeps on increasing according to the cost of solar energy system is declining year by year. According to the investigation report of Clean Energy Communication and Consulting Company Mercom CapitalGroup, the 2015 actual installing volume of global solar is about 57.8GW which increased 28%compared to 2014, and the estimated total annual demand is 65GW with annual growth rate is more than 12% in 2016. The main market is also China, America, India and Japan. Furthermore, Southeast Asia and other emerging market growth will be more impressive.



EnergyTrend from TrendForce indicates that in the solar area there are 48% of the national electricity price into price equal area, 33% of the national electricity price into price competition area, moreover, the topic of environmental carbon reduction fermentation gradually, to replace some of the traditional power of solar power generation conditions already formed, the emerging markets of the global public utility rating system demands will increase continuously after following the growth of Japan, the United States, India and other countries, Solar market growth from 2016 to 2020 is predictable. Because to some of the per capita growth GDP under $10,000, economic growth will lead to new power demands to a substantial increase, the potential demand for solar system will be more significant expected, the expected mature markets for the next five years include Mexico, Brazil, Monet and Leah, Turkey, Tunisia, Pakistan, Indonesia, Vietnam, the United Arab Emirates, etc.

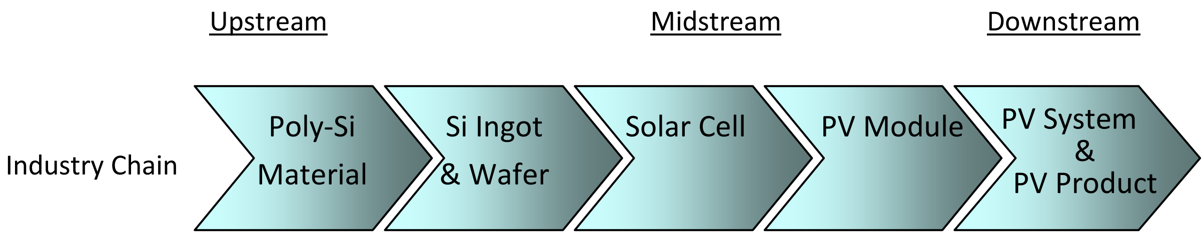
(2) Semiconductor

Please refer to the yearly report of our subsidiary GlobalWafers Co., LTD(stock code: 6488)

2. Relationship with Up-, Middle- and Downstream Companies

(1) Solar

Solar Industry Connection Chain



Source: SAS Internal

(2) Semiconductor

Please refer to the yearly report of our subsidiary GlobalWafers Co., LTD(stock code: 6488)

3. Product Trends and Competition

(1) Solar

In the first half year, the domestic market growth is not as good as expected, and new US anti-dumping sanction final judgment results to Taiwan factory is not a positive incentive, terminal market kinetic energy did not improve, demand trend in gentle, the price of the whole supply chain also decrease, however, in the second half year, With the industry to enter the system installation season, in China's strong domestic demand driven, US anti-dumping sanctionfinal judgment is relatively favorable results rate of Taiwan factory, at the same time, being activated by the middle and long term policy, the product prices in the United States, India and emerging markets in the major countries also increase synchronized back, the multi crystal wafers market is in short supply situation, the market is expected to continue until the first half of this year.

Although from the second half of the year, part of the end demand expected to return to mono crystal wafers, the polycrystalline materials prices will be faced to price increasing pressure, the high efficiency product is absolutely essential to support the market price.

About 70% of solar products were exported to the European market in the past, but it has reduced to 15% in 2015. At present the European solar market has not as good as before in sharply cut subsidy rate by various countries, emerging markets will replace it. Overall, emerging markets in China, the United States, Japan, India and other Southeast Asian and other emerging markets continue to increase the demand for solar wafers, and develop to high conversion efficiency, the solar industry will be quite healthy, especially in Taiwan industry which focusing on high conversion efficiency, cell and solar module manufacturing and production, will promote the role and position under current capacity.

(2) Semiconductor

Please refer to the yearly report of our subsidiary GlobalWafers Co., LTD(stock code: 6488)

5.1.3 Research and Development

In recent years, our company is not only committed to crystal growth and silicon wafer material level precision machining process improvement, but also through exchanges and cooperation with academic and research institutions to promote rapidly of new technology and new product development capability. In addition to effectively reducing the amount of material use during the wafer processing section, recycled carrier within its own process to we also develop successfully carrier recovery and high-strength low breakage rate processing, this reduces production costs and enhance the quality of the wafer, No matter on improving polycrystalline productivity, lifting the ingot weight, increasing yield , reducing crystal defect density, reducing the metal impurities diffused, crystal quality improvement, reducing the amount of argon gas and electricity consumption, reducing sliced material, slice emissions reduction and recycling of waste use, all of these had already exceeded the international standards. A number of technical indicators have become the international benchmark, besides our company is also actively take part in patent portfolio to protect the company's intellectual property rights in the past few years. we has achieved more than 194 patent of research results and won several international awards so far.

1. Percentage of Research and Development Expenses to Net Revenue for Two Years

Unit: NTD $1000

Year	2014	2015	By 2016/3/31
Net Revenue	27,821,456	28,269,357	7,090,560
Research and Development Expenses	823,128	790,448	204,498
Research and Development Percentage	2.96%	2.80%	2.88%

2. Developed Technology and Products (from latest year to the annual report issued date)

Project	Content	Investment

900KGs low energy consumption high quality multi crystal furnace hot-zone design and crystal growth technology development project	Develop successfully through Center University simulation 1. Large size high efficiency technology development 2. Multi crystal growth hot-zone design and development 3. High quality multi crystal growth technology To be the 1st crystal supplier with G6 for mass production in Taiwan, get 10% electric power saving, 6,570,000KWH per year which equals 10.8 Daan Forest Park CO2 adsorption in 1 year	310 million
A5+ solar wafer Ultra-high efficiency technology development.	The project makes use of new solar hot-zone design and with benefit of computer simulation to develop low energy consumption, low defect and high quality ingots. The cells efficiency have achieved max. of 19.4% and this technology is patents protected.	100 million
Solar wafer nano-processed technology development.	The project makes use of wet nano-texturing process to develop high strength and low reflectivity wafers. Solar modules can gain more power generation. The technology received many patents and was awarded with "Silicon Solar Award" in Frankfurt, Germany, 2012.	50 million
Solar wafer SiC recovery and recycling technology development.	The project makes use of wet cyclone serial and parallel design to recycle slurry waste produced from slicing process and reuses it to reduce material cost significantly. This design is patents protected.	150 million
Solar wafer PAG recovery and recycle technology development.	The project makes use of solid/liquid separation technology to recycle and reuse PAG contents from slurry waste. This design is patents protected.	50 million
Solar wafer PG solution reuse and recycle technology development.	The project makes use of pressure filter process providing with different material of filters to recycle and reuse PG solution. It reduces material cost significantly and also lower environmental impacts.	10 million
Solar wafer slurry recovery and recycle technology and development.	The project recycles and reuses slurry waste (D0903) by making use of water cleaning and pressure filtering to separate solid and liquid form and also by evaporation to collection oil base. Later on adding formula pack to produce reusable oil. It reduces the material cost significantly and lowers environmental impacts.	10 million
High efficiency CELCO mono solar cells technology and development.	CELCO mono solar cells incorporated innovated process, advanced PERC(Passivated Emitter Rear Cell) and LBSF (Local Back Surface Field) technology. This design is patents protected.	150 million

Advanced Solar wafer Nano-processed technology and cells technology development.	The project makes use of Nano-wafer, ALD(Atomic Layer Deposition) and high efficiency cells technology to gain efficiency and power generation.	90 million

5.1.4 Long-term and Short-term Development

1. Long-term Development
   (1) The renewable energy is a global consensus, especially passing the "Paris climate agreement" in December last year, with the clear targets of carbon reduction, it would be able to stabilize the solar application and the growth demand, and high conversion efficiency products is still the role for future growth.
   (2) Focus on high conversion multi crystal and mono crystal products to keep on unique competition.
   (3) Regard to the long-term point of view, strategic coalition with downstream module brands as well as system development is the mainstream trend. SAS has invested many enterprises since 2008, such as solar cell manufacturer Sunrise Global, Solartech Solar Energy, and system fab SunParc in Italy, AccuSolar and Powertec Energy in Taiwan, plus a formal merger with Aleo in Germany in and became strategic alliance partners with HUAWEI in China from the beginning of the year so as to integrate vertical resources to maximize the operation scale.

2. Short-term Development
   (1) The company plans to expanse capacity by quarterly to expand market supply and keep high production loading to speed up consuming long-term poly quantities and continuously enhance the cost control to reach margin target.
   (2) SAS has developed the most efficient polysilicon chips and P-type poly crystals cell (Celco), and put into mass production. SAS will augment production so as to provide customers with high quality solar silicon materials and stay market competitiveness.

5.2 Market and Sales Overview

5.2.1 Market Analysis

1. Sales Region
   (1)Solar

Unit: NTD $1,000

Area		2014		2015	
		Turnover	%	Turnover	%
Local		5,972,927	47%	6,302,697	49%
Abroad	Asia	4,215,905	37%	2,753,017	21%

	America	223,376	4%	450,259	3%
	Others	1,487,557	12%	3,472,809	27%
Total		11,899,765	100%	12,978,782	100%

(2)Semi

Please refer to the yearly report of our subsidiary GlobalWafers Co., LTD(stock code: 6488)

2. Market Share (%) of Major Product

(1) Solar

A. SAS is engrossed in high-efficiency solar wafer development, and evolving as major supplier of solar wafer in Taiwan. Accumulated capacity of Chunan branches I & II reaches 1GW and further expansion to 1.2GW about 3.0% of the global solar wafers is to be expected by the end of 2016.

B. The high efficiency mono crystal cell capacity in Yilan branch is planned to expand from 550MW to 1GW to be the biggest high efficiency mono crystal cell production area of the global solar wafers, the market share can be raised to about 5%.

(2) Semiconductor

Please refer to the yearly report of our subsidiary GlobalWafers Co., LTD(stock code: 6488)

3. Future Supply And Demand in Market

(1) Solar

A. According to the research institute IHS, the average selling price of solar modules is estimated to decline during 2015 to 2019 down to 27% of US$0.45 per watt on an average. With the decrease in the price of solar modules, global market demand for solar power generation will continue to grow, global solar demand will reach 75 GW and the total generating capacity will be 498GW by 2019.

B. Although it's forecasted that the global solar energy supply has been more relaxed in 2016, due to the country has continued to lower the subsidy rates, the solar cell and module prices showed a trend of easy down but hard up. In recent years, the trend of the solar supply chain shows "the big always be the big", the industry believes that the industry consolidation trend will not stop in 2016.

C. The industrial layout in Taiwan is yet not complete. The industry chain of Taiwan needs to be opened to the sea. In addition to making self-owned module brand and direct export to the overseas markets, the most crucial part is to form an effective differentiation from China. Based on current situation, Taiwan plants need to accelerate the pace of technology development and maintain the leading edge in terms of quality then to make sure market share and do market segmentation from China factory.

(2)Semiconductor

Please refer to the yearly report of our subsidiary GlobalWafers Co., LTD(stock code: 6488)

4. Competition Superiority

(1) Long-term R&D investment to establish core competitive advantage
(2) Extensive cooperation with production, public and university with a high degree of product innovation capability
(3) Most scale capacity, with flexibility planning and scale of economic competitiveness
(4) Work closely with downstream customers to grasp market demand and development trend
(5) To have a long-term relationship with the raw material suppliers, to control the key raw materials to stabilize the supply source and cost advantage.

5. Favorable and Unfavorable Factors in the Long-range Future

1. Favorable Factors

A. Solar

(1) Even though photovoltaic industry is not mature enough to be independent from government subsidy, renewable energy is the inevitable trend that worth eternal development.
(2) Internationally recognized R&D and process improvement for advancing products and competence.

B. Semiconductor:

Please refer to the yearly report of our subsidiary GlobalWafers Co., LTD(stock code: 6488)

2. Unfavorable Factors and Countermeasures:

A. Solar

(1) Enormous competitors ardently undermine capacity and produce oversupply after 2011 Q2.
(2) Effects upon selling price and profit decline due to launched of new manufacturers.
(3) The solar trade war to China has not stopped which is started by the United States in 2012, the European Union launched a solar trade war against China in2013, China also start double reverse operation to the material plant in Europe, the United States and South Korea, the US anti-dumping sanction was started in 2014, the European Union started retrial against China and started anti avoidance investigation to Taiwan and Malaysia in2015, the United States will kick off retrial against China and the European Union may start the second anti avoidance investigation to Thailand and India in 2016.

Countermeasure:
(1) Actively locate new clients, especially China; downstream integration and strategic alliance.
(2)Strengthen technical connection with downstream clients; commitment in developing high-efficiency products with core technology; minimize production cost so as to magnify profit.
(3) Both sides of the solar industry to set up factories in third area actively to avoid trade war. Once the European Union starts the anti-avoidance investigation to Thailand and India, the solar plants in these areas will be invested and be affected, but both side wil reduce the impact to a minimum according to the rich experience on trade war.

B. Semiconductor

Please refer to the yearly report of our subsidiary GlobalWafers Co., LTD(stock code: 6488)

5.2.2 The Production Procedures of Main Products

1. Major Products and Their Application

Products	Main Usage
Solar ingot	Being wire-saw cut into solar wafers, which are used as substrates for solar cells.
A^{5+} solar multi-crystal wafer	Ingredient of multi-crystal solar cells with average conversion efficiency in 18.2% w/normal process and with conversion efficiency in 19.2% w/ PERC process
A^{4+} solar multi-crystal wafer	Ingredient of multi-crystal solar cells with average conversion efficiency in 18% w/normal process and with conversion efficiency in 19% w/ PERC process
A^{3+} solar multi-crystal wafer	Ingredient of multi-crystal solar cells with average conversion efficiency in 17.8% w/normal process and with conversion efficiency in 18.8% w/ PERC process
solar mono-crystal wafer	Key material of solar substrate and can be processed into solar module.

2. Process Flow

Solar mono-crystal Rods

Mono-crystal Growth →Slug Inspection → Crystal Quality Assessments → Squaring and Grinding → Solar Rods

Solar Multi-Crystal Rods

Multi-Crystal Growth → Squaring →Crystal Quality Assessments → Solar Ingots

Solar Wafering

Poly-Si → Crystal Growth → cropping → Squaring →Grinding → Slicing → As-cut Wafer pre-Cleaning → As-cut Wafer Cleaning → Inspection → Packaging

Solar cell

Solar wafer →Surface roughness →Surface diffusion → Surface cleaning & edge insulating →Surface anti-reflective & passivation → metaling & sintering →solar cell efficiency measurement and classification

5.2.3 Supply Status of Main Materials

Major Raw Materials	Source of Supply	Supply Situation
Poly Silicon	Company A, B, C	Good
Ingots	Company B	Good

5.2.4 Major Suppliers and Clients

1. Major Suppliers Information for the Last Two Calendar Years

Unit: NTD $1000

Item	2014				2015				2016 (As of March 31)			
	Name	Amount	Percent	Relation with Issuer	Name	Amount	Percent	Relation with Issuer	Name	Amount	Percent	Relation with Issuer
1	A	3,127,882	23.42	None	A	2,499,136	17.29	None	A	806,403	18.96	None
	Others	10,224,974	76.58	None	Others	11,951,135	82.71	None	Others	3,446,103	81.04	None
	Net Supplies	13,352,856	100.00		Net Supplies	14,450,271	100.00		Net Supplies	4,252,506	100.00	

Note : Major suppliers mean each commanding 10%-plus share of annual order volume, yet contract specifies no name of suppliers or unrelated individuals shall be revealed, therefore, uses alphabet to refer.

2. Major Clients Information for the Last Two Calendar Years

Unit: NTD $1000

Item	2014				2015				2016(As of March 31)			
	Name	Amount	Percent	Relation with Issuer	Name	Amount	Percent	Relation with Issuer	Name	Amount	Percent	Relation with Issuer
1	B	3,285,070	11.81	None	B	2,771,154	9.80	None	A	758,534	10.70	None
	Others	24,536,386	88.19	None	Others	25,498,203	90.20	None	Others	6,332,026	89.30	None
	Net Sales	27,821,456	100.00		Net Sales	28,269,357	100.00		Net Sales	7,090,560	100.00	

Note : Major clients mean each commanding 10%-plus share of annual order volume, yet contract specifies no name of customer or unrelated individuals shall be revealed, therefore, uses alphabet to refer.

5.2.5 Production over the Last Two Years

Unit: NTD $1000

Output / Year / Major Products (or by departments)	2014			2015		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Solar Ingot(1000kg)	4,222	2,657	1,149,889	4,565	4,528	3,312,620
Solar Silicon Wafer(1000pic)	145,182	111,294	3,416,703	210,000	180,961	5,236,424
Semi Ingot	215	171	763,098	215	175	662,579
Semi Wafer	7,680	6,626	2,079,660	7,680	7,039	2,497,014
Solar Cell	72,000	65,226	4,458,500	84,290	77,866	4,685,640
Total	—	—	11,867,850	—	—	16,394,277

Note: Capacity means the optimum amount that can be produced by means of the existent facilities, exclusive of necessary stoppage and holidays.

5.2.6 Shipments and Sales over the Last Two Years

Unit: NTD $1000

Shipments & Sales / Year / Major Products (or by departments)	2014				2015			
	Local		Export		Local		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Solar Ingots(kg)	60	48,953	685	252,942	—	—	87.124	69,111
Solar Silicon Wafer(round)	82,704	2,526,853	24,054	873,660	140,760	3,895,773	25,091	845,708
Semi Ingot & Wafer(1000)	8,061	4,036,641	14,932	11,724,248	7,470	2,481,654	16,965	12,310,409
Solar Wafer(1000)	22,187	1,239,150	35,504	3,219,306	5,695	361,752	20,988	1,124,041
Solar Module(1000)	—	—	25,778	195,918	—	—	624,675	3,771,114
Other	—	2,157,971	—	1,545,814	—	3,106,465	—	303,330
Total	113,012	10,009,568	100,953	17,811,888	153,925	9,845,644	687,807	18,423,713

5.3 Human Resources

Year		2014	2015	By 2016/3/31
Number of Employees	Staff	311	632	644
	Manufacturing	957	1,579	1,679
	Total	1,268	2,211	2,323
Average Age		32.6	32.1	32.1
Average Years of Service		4.4	3.7	4.42
Education	Masters	7%	9%	9%
	Bachelor's Degree	53%	54%	52%
	Senior High School	35%	32%	33%
	Below Senior High School	5%	5%	5%

Finance-associated employees' certification status as below:

1. Corporation internal control basic test (SFI): 1 person (Audit department), 1 person (Finance department)
2. International Internal Auditor License: 1 person (Audit department)

2015 Employee Training Status

Item	Class	People	Hours	Fee
New Staff Orientation	447	1,346	1,637	0
Professional Training	912	6,186	3,867	1,172,293
Common Training	600	6,538	1,036	612,340
Total	1,959	14,070	6,540	1,784,633

5.4 Environmental Protection Expenditures

5.4.1 According to the Law, a Company Shall Apply Permission for Pollution Facilities Placement, Pollutant Emission; Pay Prevention Fee; Set up Environmental Department, above Explanations are as below: the Company Has Applied Permission for Pollution Facilities Placement and Set up Environmental Department to Deal with Related Matters.

5.4.2 Investment of pollution preventing main facilities, and the purposes and possible benefits:

1. Pollution and improvement

The company continues to replace and improve old pollution preventing facilities, and operators training to avoid pollution from happening.

2.Environmental Protection Expenditures for the last three years

A. 2013

a.Air pollution prevention NT$1,487,000

b. Water pollution prevention NT$1,824,000

c.Industrial waste process NT$26,079,000

B. 2014

a.Air pollution prevention NT$2,273,000

b. Water pollution prevention NT$2,198,000

c.Industrial waste process NT$14,969,000

C.2015

a.Air pollution prevention NT$4,420,000

b. Water pollution prevention NT$ 1,920,000

c.Industrial waste process NT$35,178,700

3.Anticipated Improvement

Above investments shall improve sewage and exhaustion emission more effectively, and shall reconstruct to cope with environmental regulations amendments.

5.4.3 The Company Shall Specify if There's Any Conflict Related to Pollution in the Last Two Years to the Date Issued Annual Report:

The liquid fuel sulfur content of the diesel oil storage tank for the generator is detected, and the content of sulfur is 58mg/kg (ppmw), which has exceeded the statutory limit of 50 mg/kg diesel (ppmw), the company will replace the diesel oil storage tank and commission the certification laboratory of third party sampling inspection to grasp the status of the oil, it will not happen again.

5.4.4 The Company Shall Specify the Total Amount of Loss (Including Compensation), Punishment of Environment Pollution, and Disclose Future Countermeasures (Including Improvement) and Possible Expenditures (Including Estimate Of Possible Loss, Punishment, Compensation, or Specify Facts if Cannot Be Estimated) in the Last Two Years to the Date Issued Annual Report:

(1)2014.12.16, the use of air operation license is not posted on the volatile organic raw materials (PG), punishment by law a fine of NT$100,000

(2)2015.02.02, Waste raw materials and leakage declaration output of D-1505, D-1506 , punishment by law a fine of NT$12,000

(3)2015.06.26, Use of raw materials without the permission of the publication (PG), the usage of raw materials exceed licensing applications limit, punishment by law a fine of NT$200.000

5.4.5 Effects of Current Pollution Condition and Improvement to Company Profit, Competition and Capital Expense, With Anticipated Major Environmental Protection Expenditures in The Next Two Years: None.

5.4.6 RoHs Information: Perform RoHs-Prohibitive Materials Examination on Wafers.

5.5 Labor Relations

5.5.1 Employee Benefits, Training, Education, Retirement Policy, Executions and Labor Negotiations and Measures to Protect Employee Rights.

1.Employee Benefits:

A. Provide high quality salary and fair reward, promotion methods to confirm all the colleagues to the company's contribution. Besides common benefit-labor, health and group insurances and pension, the company also provides bonus for new year, festivals, birthday, year-end party, cash premiums for wedding/funeral, travel allowance, Emergency assistance, scholarship, shuttle bus, lunch, dormitory, employee stocks and complete staff training.

B. The company allocates 0.1% of monthly turnover and 40% of leftover income to Employee welfare committee, which operates in accordance with related regulations.

2.Training and Practice:

The company offers a wide range of training courses and profession in-service and self-growth courses, including fresh staff training, pm-site training, safety and sanitary training, profession courses and other related external programs. The company aims to foster competent employees for all challenges.

3.Retirement Policy:

A. Two types for retirement: voluntary and mandatory.
Voluntary retirement: work over 15 years and reach age 55, or work over 25 years;
work over 10 years and reach age 60
Mandatory retirement: reach age 65 since 2008.5.14/ insanity/ physically disabled for work, the company can perform mandatory retirement.

B. Years of service calculation: start on the date of employment, except military service, position retained without pay should be deducted.

C. Pension payment standards:
Old System: Two units of radix shall be given when reaching one service year. One unit shall be given annually when reaching 15 service years, yet the maximum is 45. Service under 6 months is considered as one half year; service over 6 months is considered as one year. Any labor subjected to mandatory retirement, such as insanity or handicapped due to work injury, whose units of radix will be calculated according to above regulation with 20% plus.
New system: Labor who chooses new system after 2005.7, whose service year before that shall be calculated according to old system; while after that, according to new system.

D. Employment after 2005.7 shall be calculated according to new system. (Employer shall allocate 6% of salary into personal account in Bureau of Labor Insurance)

4.Labor Negotiations:

Labor relations have been harmonious since company establishment, keeping open and smooth communication. Via labor relations meeting and employee welfare committee, both sides negotiate mutual benefits to meet needs and expectations.

5.Measures To Protect Employee Rights:

Labor relations have been harmonious since company establishment, no conflict-caused losses, and we anticipate no such things shall happen in the future.

5.5.2 The Company Shall Disclose Present and Future Countermeasures and Possible Expenditures of Labor-Conflict-Caused Losses in the Latest Year to the Date Issued Annual Report:

Labor relations have been harmonious since company establishment, no conflict-caused losses, and we anticipate no such things shall happen in the future.

5.5.3 Employee Ethical Conduct

For better understanding of ethics, integrity, discipline and team spirit, SAS legislates related regulations for all company to follow, please refer below:

1. Delegation of the Authorization:
   SAS adopts delegation and deputy system to ensure smooth operation, and all departments strictly obey authority level.
2. Reward and Punishment System:
   Working regulation specifies commendation, merit citation as well as excellence merit citation for reward, and reprimand, demerit and two demerit points for punishment. Reward/Punishment may be given via bonus or deduction.
3. Trade Secret Protection:
   To ensure trade secret and intellectual property, employees must sign nondisclosure agreement of trade secret and intellectual property.
4. Performance Evaluation:
   To encourage team spirit and performance as well as explore talents, SAS legislates standard for performance evaluation for fair promotion and reward/punishment.
5. Prevention and Procedure for Sexual Harassment:
   For fair opportunity of different genders as well as dignity, SAS strictly forbids sexual harassment, specifies rules and complaint channel, so as to better behave employees.
6. Work Regulation & Behavior standard:
   For better definition of right and duty of both employer and employees, SAS legislates this regulation, catalog please refer below:

Chapter I	Appointment
Chapter II	Attendance
Chapter III	Overtime payment & Weekend Shift
Chapter IV	Salary, Allowance & Bonus
Chapter V	Evaluation, Reward/Punishment, Promotion & Transferring
Chapter VI	Resign, Position Retained without Pay, Severance, Dismissal & Retirement
Chapter VII	Labor Insurance & Health Insurance
Chapter VIII	Welfare Committee
Chapter IX	Subsidy (Marriage, Funeral, Birthday) & Emergency Allowance
Chapter X	Compensation of Occupational Accident
Chapter XI	Safety and Sanitary

7. Work Regulation & Behavior standard in Factory:

SAS legislates "Work Regulation & Behavior standard in Factory" for manufacturers in factory, so as to ensure product quality and SOP, such as dress code in clean room. The aforementioned are made for efficiency and work environment.

(1) Obey all work regulations and laws.
(2) Obey assignment, supervisors with no excuses.
(3) No operation conflicts with SAS, no abuse of company name.
(4) No personal interest via occupational convenience
(5) No leak of company technology, management and trade secrets.
(6) No news distribution unless approved by SAS
(7) No personal storage, nor distribution of company confidential information.
(8) No contraband, nor combustibles in company as well as production line.
(9) No arbitrary entrance into forbidden area, nor bringing companions and discharged employees into company.
(10) Salary is confidential, discussion is strictly forbidden
(11) No gambling, drug abuse, smoking and betel nut nor other inappropriate behavior in company
(12) No liquor in work time
(13) Neither cherish public property, no waste, breakage, exchange nor occupying.
(14) Keep adequate appearance, wearing uniform and identification badge.

New employees are informed of above rules when orientation, the latest version is also announced on billboard.

5.5.4 Precaution of Environment And Labor Safety

SAS sets up specific unit and legislates "Procedure of Occupational Safety, Health and Inspection", assigning designates staffs to take charge of related events. Content please refer below:

1. Regulation on work

(1) All staffs shall keep health physical and mental status, as well as good sanity.
(1) Through 5S execution
(2) No smoking, betel nuts and liquor in factory
(3) Smoking is only allowed in smoking area and no littering cigarette butts.
(4) Wear protection when handling hazardous materials.
(5) Mark hazardous materials and no breakage.
(6) Set qualified dispensers in factory and regularly exams.
(7) Disinfect whole factory annually
(8) Keep great toilet ventilation
(9) Full observation of 6S
(10) No spitting, littering cigarette butts and trash

2. Employee Safety

(1) Follow protocol and SOP in every work
(2) Don't be abrupt when facing no SOP work. One should carefully apply other SOPs or discuss with leaders before execute.
(3) Workers and inspectors should wear helmet with fasten strings when working at over 2 meters heights or falling objects.

(4) Use safe rope when working in open areas with over 2 meters heights.
(5) Set up “danger” signs when power outage. Signs can only be removed when all problems are cleared and employees are off the spot.
(6) Wear personal protections according to different stations. Any danger should be reported immediately.
(7) No chasing, running or anything dangerous while working.
(8) Following instruments and equipment limitations

5.6 Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Land lease	Science Park Administration	1990.10.01~2020.09.30	4638 square meter, rental paid annually, NTD $2,433,837 in total	Object business purpose only
Land lease	Science Park Administration	2005.06.01~2024.12.31	12004.74 square meter, rental paid annually, NTD $1,571,664 in total	Object business purpose only
Land lease	Science Park Administration	2008.01.26~2027.12.31	13000 square meter, rental paid annually, NTD $2,345,040 in total	Object business purpose only
Sales contract	Customer B B-2	2009~2018	Sales contract	None
Sales contract	Customer B B-3	2009~2018	Sales contract	None
Sales contract	Customer B B-4	2011~2019	Sales contract	None
Sales contract	Customer B B-5	2012~2016	Sales contract	None
Sales contract	Customer C C-1	2009~2016	Sales contract	None
Sales contract	Customer C C-2	2009~2019	Sales contract	None
Sales contract	Customer D D-1	2007~2015	Sales contract	None
Sales contract	Customer D D-2	2006~2018	Sales contract	None
Sales contract	Customer D D-3	2009~2018	Sales contract	None
Sales contract	Customer D D-4	2009~2018	Sales contract	None
Sales contract	Customer E E-1	2008~2018	Sales contract	None
Sales contract	Customer E E-2	2009~2017	Sales contract	None
Sales contract	Customer F F-2	2009~2019	Sales contract	None
Supplier contract	Supplier A A-2	2009~2018	Silicon contract	None
Supplier contract	Supplier A A-3	2011~2019	Silicon contract	None
Supplier contract	Supplier B B-4	2010~2018	Silicon contract	None
Supplier contract	Supplier C C-1	2009~2016	Silicon contract	None
Supplier contract	Supplier C C-2	2010~2016	Silicon contract	None
Supplier contract	Supplier C C-3	2013~2019	Silicon contract	None
Syndicated Loan Agreement	Taiwan Cooperative Bank/ Taipei Fubon Commercial Bank Co., Ltd./ E. Sun Commercial Bank/ Mega International Commercial Bank/ First Commercial Bank/ Ta Chong Bank	2013.05.09～2018.05.09	Syndicated loan in NTD 4 billion for bank loan payment and mid-term operation fund	None

VI. Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Balance Sheet

Unit: NTD $1000

Item \ Year		Five-Year Financial Summary(Note 1)				
		2011	2012	2013	2014	2015
Current Assets		8,782,067	11,653,889	—	—	—
Funds & Long-Term Investments		4,817,457	4,163,388	—	—	—
Fixed Assets (Note2)		11,139,193	18,053,170	—	—	—
Intangible Assets		657,144	631,754	—	—	—
Other Assets		4,031,009	3,833,583	—	—	—
Total Assets		29,426,870	38,335,784	—	—	—
Current Liabilities	Before Distribution	5,545,317	10,706,483	—	—	—
	After Distribution	5,988,436	—	—	—	—
Long-Term Liabilities		1,100,000	3,329,071	—	—	—
Other Liabilities		3,788,745	5,545,252	—	—	—
Total Liabilities	Before Distribution	10,434,062	19,580,806	—	—	—
	After Distribution	10,877,181	—	—	—	—
Capital Stock		4,431,191	5,231,191	—	—	—
Capital Surplus		12,141,389	14,878,908	—	—	—
Retained Earnings	Before Distribution	3,025,038	213,967	—	—	—
	After Distribution	2,581,919	—	—	—	—
Unrealized Gain Or Loss On Financial Instruments		(766,076)	(1,107,472)	—	—	—
Cumulative Translation Adjustments		161,317	(459,621)	—	—	—
Net Loss Unrecognized As Pension Cost		(51)	—			
Total Shareholders' Equity	Before Distribution	18,992,808	18,754,978	—	—	—
	After Distribution	18,549,689	—	—	—	—

Note 1: Financial information for the past five years was audited and certified by Certified Public Accountants.
Note 2: No asset reevaluation

6.1.2 Condensed Statement of Income

Unit: NTD $1000

Item \ Year	Five-Year Financial Summary (Note 1)				
	2011	2012	2013	2014	2015
Operating Revenue	17,549,063	19,089,330	—	—	—
Gross Profit	1,735,299	901,108	—	—	—
Income From Operations	754,649	(1,212,604)	—	—	—
Non-Operating Income	248,064	129,960	—	—	—
Non-Operating Expenses	440,369	1,599,393	—	—	—
Income From Operations Of Continued Segments - Before Tax	562,344	(2,682,037)	—	—	—
Income From Operations Of Continued Segments - After Tax	428,706	(2,360,471)	—	—	—
Income From Discontinued Departments	—	—	—	—	—
Extraordinary Gain Or Loss	—	—	—	—	—
Cumulative Effect Of Accounting Principle Changes	—	—	—	—	—
Net Income Or Loss For Current Period	428,706	(2,360,471)	—	—	—
Earnings Per Share	1.02	(4.90)	—	—	—

Note 1: Financial information for the past five years was audited and certified by Certified Public Accountants.

Note 2: The annual financial statements have been properly re-classified in the form of the expression of the first amendment to the provisions of the accounting standards for inventories tenth, which is in the form of financial accounting standards.

6.1.3 Auditors' Opinions for Last Five Years

Year	CPA's Name	Auditing Opinion	Note
2011	Chen, Chien-Chen Tseng, Mei-Yu	Modified unqualified opinion	Note
2012	Chen, Chien-Chen Tseng, Mei-Yu	Modified unqualified opinion	Note
2013	Tseng, Mei-Yu Chen, Chien-Chen	Modified unqualified opinion	Note
2014	Tseng, Mei-Yu Huang, Yong-Hua	Modified unqualified opinion	Note
2015	Tseng, Mei-Yu Huang, Yong-Hua	Modified unqualified opinion	Note

Note : The financial reports of the invested companies in the above financial statement were audited by other CPAs and not KPMG CPAs. Therefore, the opinions expressed are for the above financial statements. The amounts listed in the financial statements for related invested companies are based on reports audited by other CPAs.

6.2Five-Year Financial Analysis

6.2.1 Taiwan GAAP

Item \ Year			2011	2012	2013	2014	2015
			Financial Analysis In The Past Five Years				
Financial Structure (%)	Ratio Of Liabilities To Assets		35.46	51.08	—	—	—
	Ratio Of Long-Term Capital To Fixed Assets		180.38	122.33	—	—	—
Solvency (%)	Current Ratio		158.37	108.85	—	—	—
	Quick Ratio		110.20	57.48	—	—	—
	Times Interest Earned Ratio		9.18	(8.49)	—	—	—
Operating Ability	Accounts Receivable Turnover (Turns)		8.87	8.04	—	—	—
	Average Collection Period		41.17	45.41	—	—	—
	Inventory Turnover (Turns)		9.52	7.51	—	—	—
	Accounts Payable Turnover (Turns)		13.54	10.86	—	—	—
	Average Days In Sales		38.33	48.57	—	—	—
	Fixed Assets Turnover (Turns)		1.65	1.31	—	—	—
	Total Assets Turnover (Turns)		0.58	0.56	—	—	—
Profitability	Return On Total Assets (%)		1.61	(6.27)	—	—	—
	Return On Shareholders' Equity (%)		2.29	(12.51)	—	—	—
	Ratio To Issued Capital (%)	Operating income	17.03	(23.18)	—	—	—
		Pre-tax profit	12.69	(51.27)	—	—	—
	Profit Ratio (%)		2.44	(12.37)	—	—	—
	Earnings Per Share ($)		1.02	(4.9)	—	—	—
Cash Flow	Cash Flow Ratio (%)		49.66	12.26	—	—	—
	Cash Flow Adequacy Ratio (%)		67.63	70.22	—	—	—
	Cash Reinvestment Ratio (%)		2.90	1.28	—	—	—
Leverage	Operating Leverage		3.34	(1.7)	—	—	—
	Financial Leverage		1.10	0.81	—	—	—
Analysis of financial ratio change in the last two years. (The analyses can be skipped if difference is less than 20%) The financial information from 2013 is reviewed in accordance with the regulations of IFRS.							

Note 1: Financial information for 2011~2012 was audited and certified by Certified Public Accountants.
Note 2: Glossary:
1. Financial Structure
(1) Ratio Of Liabilities To Assets = Total Liabilities/ Total Assets
(2) Ratio Of Long-Term Capital To Fixed Assets = (Net Shareholder's Equity + Long-Term Liabilities)/ Net Fixed Assets
2. Solvency
(1) Current Ratio = Current Assets / Current Liabilities.
(2) Quick Ratio = (Current Assets – Inventories – Prepaid Expenses) / Current Liabilities.
(3) Times Interest Earned Ratio = Earnings before Interests And Taxes/ Interest Expenses.
3. Operating Ability
(1) Accounts Receivable Turnover = Net Sales / Average Trade Receivables.
(2) Average Collection Period = 365 / Accounts Receivable Turnover.
(3) Inventory Turnover = Cost Of Goods Sold / Average Inventory.
(4) Accounts Payable Turnover = Cost Of Goods Sold / Average Accounts Payable.
(5) Average Days In Sales = 365 / Inventory Turnover.
(6) Fixed Assets Turnover = Net Sales / Net Fixed Assets.
(7) Total Assets Turnover = Net Sales / Total Assets.

4. Profitability
(1) Return on Total Assets (%) = [Net Income + Interest Expense x (1-Effective Tax Rate)] / Average Total Assets.
(2) Return on Stockholders' Equity = Net Income / Average Stockholders' Equity.
(3) Profit Ratio (%) = Net Income / Net Sales.
(4) Earnings Per Share ($)= (Net Income – Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding..
5. Cash Flow
(1) Cash Flow Ratio (%) = Net Cash Provided by Operating Activities / Current Liabilities.
(2) Cash Flow Adequacy Ratio (%) = Five-year Sum of Cash from Operations / Five-year (Capital Expenditures + Inventories Additions + Cash Dividend)
(3) Cash Reinvestment Ratio (%) = (Net Cash Provided by Operating Activities - Cash Dividend) / (Gross Fixed Assets + Long-Term investments + Other Assets + Working Capital)
6. Leverage
(1) Operating Leverage = (Net Sales – Variable Cost) / Income from operations.
(2) Financial Leverage = Income from operations / (Income from operations – Interest Expenditures).

Note 3: EPS calculation shall pay attention to below:
1. Weighted average common shares instead of circulated shares by yearend.
2. If capital increase or treasury stock happens, its circulation period should be considered in calculating weighted average shares.
3. If capital increase out of earnings or surplus happens, instead of circulation period, it should be adjusted according increase ratio in calculating previous EPS.
4. If preferred stock is inconvertible accumulated, stock dividend of that year (whether distributing or not) should be deducted from net income after tax, or be added to net loss after tax. If preferred stock is not accumulated, its stock dividend should be deducted from net income after tax, and no adjustment needed if encountering net loss after tax.

Note 4: Cash flow calculation shall pay attention to below:
1. Net Cash Provided by Operating Activities refers to Net cash flows from (used in) operating activities of Statements of Cash Flows
2. Capital expenditure refers to cash outflow of capital investment.
3. Inventory increase can only be calculated when yearend balance is more than year beginning. If inventory decreases in yearend, it shall be deemed zero.
4. Cash dividend includes common shares and preferred share.
5. Property, plant and equipment gross figure deducts accumulated depreciation

Note 5: Each operating cost/expense should be categorized to fixed and varied, when comes to estimation or subjective judgment, the issuer should pay attention to its reasonableness and consistency

6.2.1 IFRS

Item	Year	Financial Analysis In The Past Five Years					2016/1/1~
		2011	2012	2013	2014	2015	2016/3/31
Financial Structure (%)	Ratio Of Liabilities To Assets	—	51	48.11	47	38	37
	Ratio Of Long-Term Capital To Fixed Assets	—	141.25	189.88	204	191	183
Solvency (%)	Current Ratio	—	89.45	152.25	172	191	180
	Quick Ratio	—	47.10	90.07	110	123	115
	Times Interest Earned Ratio	—	(9.23)	3.92	15.33	25.92	32.27
Operating Ability	Accounts Receivable Turnover (Turns)	—	7.92	6.18	6.13	5.05	4.74
	Average Collection Period	—	46.09	59.00	59.54	72.27	77
	Inventory Turnover (Turns)	—	7.35	4.99	5.39	4.63	3.98
	Accounts Payable Turnover (Turns)	—	12.93	7.19	8.9	8.5	7.93
	Average Days In Sales	—	49.69	73.00	67.71	78.83	91.7
	Fixed Assets Turnover (Turns)	—	1.26	1.3	1.83	1.66	1.64
	Total Assets Turnover (Turns)	—	0.54	0.57	0.68	0.65	0.64

Profitability	Return On Total Assets (%)	—	(6.87)	1.18	3.5	2.57	3.05
	Return On Shareholders' Equity (%)	—	(13.71)	1.74	6.16	4.21	4.66
	Ratio To Issued Capital (%)	—	(55.01)	2.45	33.19	33.79	27.48
	Profit Ratio (%)	—	(13.96)	1.53	4.67	3.74	4.74
	Earnings Per Share ($)	—	(5.33)	0.57	2.06	0.93	0.36
Cash Flow	Cash Flow Ratio (%)	—	11.10	26.99	30.2	11.52	1
	Cash Flow Adequacy Ratio (%)	—	58.88	65.18	80.77	50.55	49.58
	Cash Reinvestment Ratio (%)	—	4.18	1.11	(0.44)	0.15	0.13
Leverage	Operating Leverage	—	(1.16)	6.56	2.52	1.98	2.02
	Financial Leverage	—	0.84	1.31	1.1	1.04	1.03
Analysis of financial ratio change in the last two years. (The analyses can be skipped if difference is less than 20%) Not applicable							

Note 1: The financial information for the first quarter 2016 has been reviewed by Certified Public Accountants.

Note 2: Glossary:

1. Financial Structure

(1) Ratio Of Liabilities To Assets = Total Liabilities/ Total Assets

(2) Ratio Of Long-Term Capital To Fixed Assets = (Net Shareholder's Equity + Long-Term Liabilities)/ Net Fixed Assets

2. Solvency

(1) Current Ratio = Current Assets / Current Liabilities.

(2) Quick Ratio = (Current Assets – Inventories – Prepaid Expenses) / Current Liabilities.

(3) Times Interest Earned Ratio = Earnings before Interests And Taxes/ Interest Expenses.

3. Operating Ability

(1) Accounts Receivable Turnover = Net Sales / Average Trade Receivables.

(2) Average Collection Period = 365 / Accounts Receivable Turnover.

(3) Inventory Turnover = Cost Of Goods Sold / Average Inventory.

(4) Accounts Payable Turnover = Cost Of Goods Sold / Average Accounts Payable.

(5) Average Days In Sales = 365 / Inventory Turnover.

(6) Fixed Assets Turnover = Net Sales / Net Fixed Assets.

(7) Total Assets Turnover = Net Sales / Total Assets.

4. Profitability

(1) Return on Total Assets (%) = [Net Income + Interest Expense x (1-Effective Tax Rate)] / Average Total Assets.

(2) Return on Stockholders' Equity = Net Income / Average Stockholders' Equity.

(3) Profit Ratio (%) = Net Income / Net Sales.

(4) Earnings Per Share ($)= (Net Income – Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding..

5. Cash Flow

(1) Cash Flow Ratio (%) = Net Cash Provided by Operating Activities / Current Liabilities.

(2) Cash Flow Adequacy Ratio (%) = Five-year Sum of Cash from Operations / Five-year (Capital Expenditures + Inventories Additions + Cash Dividend)

(3) Cash Reinvestment Ratio (%) = (Net Cash Provided by Operating Activities - Cash Dividend) / (Gross Fixed Assets + Long-Term investments + Other Assets + Working Capital)

6. Leverage

(1) Operating Leverage = (Net Sales – Variable Cost) / Income from operations.

(2) Financial Leverage = Income from operations / (Income from operations – Interest Expenditures).

Note 3: EPS calculation shall pay attention to below:

1. Weighted average common shares instead of circulated shares by yearend.
2. If capital increase or treasury stock happens, its circulation period should be considered in calculating weighted average shares.
3. If capital increase out of earnings or surplus happens, instead of circulation period, it should be adjusted according increase ratio in calculating previous EPS.
4. If preferred stock is inconvertible accumulated, stock dividend of that year (whether distributing or not) should be deducted from net income after tax, or be added to net loss after tax. If preferred stock is not accumulated, its stock dividend should be deducted from net income after tax, and no adjustment needed if encountering net loss after tax.

Note 4: Cash flow calculation shall pay attention to below:

1. Net Cash Provided by Operating Activities refers to Net cash flows from (used in) operating activities of Statements of Cash Flows
2. Capital expenditure refers to cash outflow of capital investment.
3. Inventory increase can only be calculated when yearend balance is more than year beginning. If inventory decreases in yearend, it shall be deemed zero.
4. Cash dividend includes common shares and preferred share.
5. Property, plant and equipment gross figure deducts accumulated depreciation

Note 5: Each operating cost/expense should be categorized to fixed and varied, when comes to estimation or subjective judgment, the issuer should pay attention to its reasonableness and consistency

Note 6: Instead of paid-in capital, foreign company should adopts net value as denominator

Note 7: Company stock of non-denomination or non-NTD10 per share should adopts the change in the balance sheet attributed to the parent company equity ratio for the capital ratio calculation.

6.3 Audit Committee's Report in the Most Recent Year:

Audit Committee's Audit Report

The Board of Directors has prepared the Company's 2015 Business Report, Stand-alone and Consolidated Financial Statements and Earnings Distribution Proposal. Sino American Silicon Products Inc. Stand-alone and Consolidated Financial Statements have been audited and certified by Tseng, Mei-Yu, CPA and Huang, Yong-Hua, CPA, of KPMG and an audit report relating to the Financial Statements has been issued. The Business Report, Stand-alone and Consolidated Financial Statements and Earnings Distribution Proposal have been reviewed and considered to be complied with relevant rules by the undersigned, the supervisor of Sino American Silicon Products Inc. According to Article 219 of the Company Law, I hereby submit this report.

Hereto
Annual Shareholders' Meeting in Year 2016 of Sino American Silicon Products Inc.

Sino American Silicon Products Inc.
Audit Committee Conve：_________________

Ting-Kuo Chen
April 22nd, 2016

6.4 Audited Consolidated Financial Statements for Most Recent Year

Financial Statement – Consolidated Balance Sheet

Provided by: Sino-American Silicon Products Inc.

Finacial year: Yearly December 31, 2015 and 2014

Unit: NT$ thousand

Accounting Title Balance Sheet	2015/12/31	2014/12/31
Assets		
Current assets		
Cash and cash equivalents		
Total cash and cash equivalents	5,901,967	5,390,582
Current financial assets at fair value through profit or loss		
Current financial assets at fair value through profit or loss, designated as upon initial recognition	0	5,225
Total current financial assets at fair value through profit or loss	0	5,225
Accounts receivable, net		
Accounts receivable	5,950,667	4,711,791
Accounts receivable, net	5,950,667	4,711,791
Accounts receivable due from related parties, net		
Accounts receivable due from related parties	253,216	306,955
Accounts receivable due from related parties, net	253,216	306,955
Inventories		
Inventories, manufacturing business		
Inventories, manufacturing business, net	5,748,878	4,606,999
Total inventories	5,748,878	4,606,999
Prepayments		
Total prepayments	776,489	1,007,547
Other current assets		
Other current financial assets	47,520	386,439
Other current assets, others	602,690	396,266
Total other current assets	650,210	782,705
Total current assets	19,281,427	16,811,804
Non-current assets		
Non-current available-for-sale financial assets		
Non-current available-for-sale financial assets	1,373,871	858,637
Non-current available-for-sale financial assets, net	1,373,871	858,637
Non-current financial assets at cost		
Non-current financial assets at cost	1,362,697	1,403,767
Non-current financial assets at cost, net	1,362,697	1,403,767
Investments accounted for using equity method		

Investments accounted for using equity method	1,606,867	2,004,864
Investments accounted for using equity method, net	1,606,867	2,004,864
Property, plant and equipment		
Land, net		
Land, cost	770,267	751,847
Land, net	770,267	751,847
Buildings and structures, net		
Buildings and structures, cost	13,338,408	13,101,397
Accumulated depreciation, buildings and structures	7,088,486	6,590,303
Buildings and structures, net	6,249,922	6,511,094
Machinery and equipment, net		
Machinery and equipment, cost	40,610,309	39,036,161
Accumulated depreciation, machinery and equipment	34,406,817	33,176,843
Machinery and equipment, net	6,203,492	5,859,318
Other facilities, net		
Other facilities, cost	3,165,514	3,336,103
Accumulated depreciation, other facilities	1,727,152	1,745,898
Other facilities, net	1,438,362	1,590,205
Unfinished construction and equipment under acceptance	4,242,681	531,097
Total property, plant and equipment	18,904,724	15,243,561
Intangible assets		
Goodwill	701,566	676,453
Acquired special technology, net		
Acquired special technology	0	17,785
Acquired special technology, net	0	17,785
Total intangible assets	701,566	694,238
Other non-current assets		
Other non-current financial assets		
Other non-current financial assets, others	230,958	242,350
Total other non-current financial assets	230,958	242,350
Other non-current assets, others		
Other non-current assets, others	2,724,226	3,627,895
Total other non-current assets, others	2,724,226	3,627,895
Total other non-current assets	2,955,184	3,870,245
Total non-current assets	26,904,909	24,075,312
Total assets	46,186,336	40,887,116
Liabilities and equity		
Liabilities		
Current liabilities		
Short-term borrowings		
Bank loan	2,610,081	2,819,368
Total short-term borrowings	2,610,081	2,819,368
Accounts payable		
Accounts payable	2,726,322	2,584,312

Total accounts payable	2,726,322	2,584,312
Accounts payable to related parties		
Accounts payable to related parties	205,707	128,436
Total accounts payable to related parties	205,707	128,436
Other payables		
Wages and salaries payable	688,235	775,832
Total other payables	688,235	775,832
Current provisions		
Short-term onerous contracts provision	588,585	608,268
Total current provisions	588,585	608,268
Other current liabilities		
Advance receipts		
Advance sales receipts	276,929	826,221
Total advance receipts	276,929	826,221
Long-term liabilities, current portion		
Long-term borrowings, current portion	65,587	666,667
Total long-term liabilities, current portion	65,587	666,667
Other current liabilities, others	2,908,665	1,382,655
Total other current liabilities	3,251,181	2,875,543
Total current liabilities	10,070,111	9,791,759
Non-current liabilities		
Long-term borrowings		
Long-term bank loans	2,545,519	3,808,667
Total long-term borrowings	2,545,519	3,808,667
Non-current provisions		
Long-term onerous contracts provision	715,725	1,118,774
Long-term provision for decommissioning, restoration and rehabilitation costs	29,094	27,641
Total non-current provisions	744,819	1,146,415
Other non-current liabilities		
Other non-current liabilities, others	4,256,311	4,557,137
Total other non-current liabilities	4,256,311	4,557,137
Total non-current liabilities	7,546,649	9,512,219
Total liabilities	17,616,760	19,303,978
Equity		
Equity attributable to owners of parent		
Share capital		
Ordinary share	5,800,312	5,800,312
Total capital stock	5,800,312	5,800,312
Capital surplus		
Capital surplus, additional paid-in capital		
Capital surplus, additional paid-in capital arising from ordinary share	15,234,589	16,278,647
Total capital surplus, additional paid-in capital	15,234,589	16,278,647
Capital surplus, treasury share transactions	31,765	31,765

Capital Surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed, associates and joint ventures accounted for using equity method	1,889,777	123,752
Capital surplus, employee share options	367,641	355,338
Capital surplus, others	1,090,919	206,007
Total capital surplus	18,614,691	16,995,509
Retained earnings		
Legal reserve	259,628	220,409
Special reserve	513,302	160,330
Unappropriated retained earnings (accumulated deficit)		
Accumulated profit and loss	519,512	392,191
Total unappropriated retained earnings (accumulated deficit)	519,512	392,191
Total retained earnings	1,292,442	772,930
Other equity interest		
Exchange differences on translation of foreign financial statements		
Total exchange differences on translation of foreign financial statements	-1,460,070	-1,669,610
Unrealized gains (losses) on available-for-sale financial assets		
Unrealized gains (losses) on available-for-sale financial assets, parent	-1,087,491	-993,913
Total unrealized gains (losses) on available-for-sale financial assets	-1,087,491	-993,913
Other equity, others		
Other equity, others	-3,267	-6,989
Total other equity, others	-3,267	-6,989
Total other equity interest	-2,550,828	-2,670,512
Treasury shares	169,861	0
Total equity attributable to owners of parent	22,986,756	20,898,239
Non-controlling interests	5,582,820	684,899
Total equity	28,569,576	21,583,138
Total liabilities and equity	46,186,336	40,887,116
Number of share capital awaiting retirement	0	0
Equivalent issue shares of advance receipts for ordinary share	0	0
Number of shares in entity held by entity and by its subsidiaries	5,555,000	0

Financial Statement – Consolidated Income Statement

Provided by: Sino-American Silicon Products Inc.

Finacial year: Yearly December 31, 2015 and 2014

Unit: NT$ thousand

Accounting Title	2015/4th	2014/4th
Statement of comprehensive income		
Operating revenue		
Net sales revenue		
Sales revenue		
Sales revenue	28,269,357	27,821,456
Total sales revenue	28,269,357	27,821,456
Net sales revenue	28,269,357	27,821,456
Total operating revenue	28,269,357	27,821,456
Operating costs		
Cost of sales		
Cost of sales	23,998,126	24,323,580
Total cost of sales	23,998,126	24,323,580
Total operating costs	23,998,126	24,323,580
Gross profit (loss) from operations	4,271,231	3,497,876
Gross profit (loss) from operations	4,271,231	3,497,876
Operating expenses		
Selling expenses		
Total selling expenses	517,037	467,468
Administrative expenses		
Total administrative expenses	727,134	760,486
Research and development expenses		
Total research and development expenses	790,448	823,128
Total operating expenses	2,034,619	2,051,082
Net operating income (loss)	2,236,612	1,446,794
Non-operating income and expenses		
Other income		
Interest income		
Interest income from bank deposits	44,949	49,066
Total interest income	44,949	49,066
Dividend income	15,740	11,711
Total other income	60,689	60,777
Other gains and losses		
Gains on disposals of investments	0	0
Foreign exchange gains	79,225	460,086
Gains on financial assets (liabilities) at fair value through profit or loss	0	0
Miscellaneous disbursements	-112,852	-100,557

Losses on disposals of investments	0	0
Losses on financial assets (liabilities) at fair value through profit or loss	275	8,748
Impairment loss		
Other impairment loss	57,826	0
Total impairment loss	57,826	0
Other gains and losses, net	133,976	551,895
Finance costs		
Interest expense	76,882	134,369
Finance costs, net	76,882	134,369
Share of profit (loss) of associates and joint ventures accounted for using equity method		
Share of profit of associates and joint ventures accounted for using equity method	0	0
Share of loss of associates and joint ventures accounted for using equity method	394,214	55
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	-394,214	-55
Total non-operating income and expenses	-276,431	478,248
Profit (loss) from continuing operations before tax	1,960,181	1,925,042
Tax expense (income)		
Current tax expense (income)	903,779	625,775
Total tax expense (income)	903,779	625,775
Profit (loss) from continuing operations	1,056,402	1,299,267
Profit (loss) from discontinued operations		
Profit (loss) from discontinued operations, net of tax	0	0
Total profit (loss) from discontinued operations	0	0
Profit (loss)	1,056,402	1,299,267
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss		
Gains (losses) on remeasurements of defined benefit plans	-32,764	-91,868
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-10,574	-38,584
Components of other comprehensive income that will not be reclassified to profit or loss	-22,190	-53,284
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation	394,365	-244,645
Unrealised gains (losses) on valuation of available-for-sale financial assets	-194,379	-196,282
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-6,235	27,534
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	8,621	-51,633
Components of other comprehensive income that will be reclassified to profit or loss	185,130	-361,760
Other comprehensive income, net	162,940	-415,044
Total comprehensive income	1,219,342	884,223
Profit (loss), attributable to:		

Profit (loss), attributable to owners of parent	534,837	1,128,445
Profit (loss), attributable to non-controlling interests	521,565	170,822
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	635,474	714,269
Comprehensive income, attributable to non-controlling interests	583,868	169,954
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	0.93	2.06
Basic earnings (loss) per share from discontinued operations	0	0
Total basic earnings per share	0.93	2.06
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	0.92	2.06
Diluted earnings (loss) per share from discontinued operations	0	0
Total diluted earnings per share	0.92	2.06

Financial Statement ─ Consolidated Statements of Cash Flows

Provided by: Sino-American Silicon Products Inc.

Finacial year: Yearly December 31, 2015 and 2014

Unit: NT$ thousand

Accounting Title	2015/4th	2014/4th
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	1,960,181	1,925,042
Profit (loss) from discontinued operations before tax	0	0
Profit (loss) before tax	1,960,181	1,925,042
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	2,160,160	2,180,043
Amortization expense	31,775	23,487
Provision (reversal of provision) for bad debt expense	9,133	-888
Interest expense	76,882	134,369
Interest income	-44,949	-49,066
Dividend income	-15,740	-11,711
Share-based payments	15,620	28,815
Share of loss (profit) of associates and joint ventures accounted for using equity method	394,214	55
Loss (gain) on disposal of property, plan and equipment	9,560	-9,292
Impairment loss on non-financial assets	192,377	444,256
Other adjustments to reconcile profit (loss)	52,597	81,523
Total adjustments to reconcile profit (loss)	2,881,629	2,821,591
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in accounts receivable	-1,194,215	-1,037,432
Decrease (increase) in inventories	-2,287,727	-24,885
Decrease (increase) in prepayments	895,628	898,099
Decrease (increase) in other operating assets	-221,598	-34,453
Total changes in operating assets	-2,807,912	-198,671
Changes in operating liabilities		
Increase (decrease) in accounts payable	219,281	31,234
Increase (decrease) in provisions	-346,931	-474,350
Increase (decrease) in receipts in advance	-730,464	-673,888
Increase (decrease) in net defined benefit liability	90,856	-15,205
Increase (decrease) in other operating liabilities	25,877	-284,550
Total changes in operating liabilities	-741,381	-1,416,759
Total changes in operating assets and liabilities	-3,549,293	-1,615,430
Total adjustments	-667,664	1,206,161

Cash inflow (outflow) generated from operations	1,292,517	3,131,203
Interest received	45,666	49,066
Dividends received	15,740	11,711
Interest paid	-78,591	-137,471
Income taxes refund (paid)	-114,980	-97,240
Net cash flows from (used in) operating activities	1,160,352	2,957,269
Cash flows from (used in) investing activities		
Acquisition of available-for-sale financial assets	-709,612	-54,674
Proceeds from disposal of available-for-sale financial assets	0	0
Acquisition of financial assets at cost	-2,305	-169,902
Proceeds from capital reduction of financial assets at cost	5,464	70,741
Acquisition of investments accounted for using equity method	0	-333,145
Proceeds from disposal of subsidiaries	0	0
Acquisition of property, plant and equipment	-4,188,006	-1,344,168
Proceeds from disposal of property, plant and equipment	102,238	82,249
Decrease in refundable deposits	-2,686	99,514
Net cash receipts from acquisitions of subsidiaries and other business units	0	513,442
Increase in other financial assets	345,060	-311,954
Dividends received	10,182	0
Net cash flows from (used in) investing activities	-4,439,665	-1,447,897
Cash flows from (used in) financing activities		
Increase in short-term loans	-209,287	410,275
Proceeds from long-term debt	1,599,000	800,000
Repayments of long-term debt	-3,467,746	-864,116
Cash dividends paid	-1,044,058	-523,142
Exercise of employee share options	0	1,346
Payments to acquire treasury shares	-169,861	0
Treasury shares sold to employees	0	0
Change in non-controlling interests	6,952,761	535,032
Net cash flows from (used in) financing activities	3,660,809	359,395
Effect of exchange rate changes on cash and cash equivalents	129,889	-160,339
Net increase (decrease) in cash and cash equivalents	511,385	1,708,428
Cash and cash equivalents at beginning of period	5,390,582	3,682,154
Cash and cash equivalents at end of period	5,901,967	5,390,582
Cash and cash equivalents reported in the statement of financial position	5,901,967	5,390,582

Sino-American Silicon Products Inc. and Subsidiaries

Consolidated Statement of Changes in Stockholders' Equity

Years ended December 31, 2015

Unit: NT$ thousand

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Others	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	5,800,312	5,800,312	16,995,509	220,409	160,330	392,191	772,930	-1,669,610	-993,913	-6,989	-2,670,512	0	20,898,239	684,899	21,583,138
Legal reserve appropriated				39,219		-39,219	0						0		0
Special reserve appropriated					352,972	-352,972	0						0		0
Changes in equity of associates and joint ventures accounted for using equity method			11,403							3,722	3,722		15,125	826	15,951
Cash dividends from capital surplus			-1,044,058										-1,044,058		-1,044,058
Profit (loss)				0	0	534,837	534,837						534,837	521,565	1,056,402
Other comprehensive income						-15,325	-15,325	209,540	-93,578		115,962		100,637	62,303	162,940
Total comprehensive income				0	0	519,512	519,512	209,540	-93,578		115,962		635,474	583,868	1,219,342
Shares issued for pursuant to acquisitions															0
Purchase of treasury share												-169,861	-169,861		-169,861
Changes in ownership interests in subsidiaries			1,766,025										1,766,025	2,457,803	4,223,828
Changes in non-controlling interests			873,509										873,509	2,426,889	3,300,398
Share-based payments			12,303										12,303		12,303
Others														-571,465	-571,465
Total increase (decrease) in equity			1,619,182	39,219	352,972	127,321	519,512	209,540	-93,578	3,722	119,684	-169,861	2,088,517	4,897,921	6,986,438
Equity at end of period	5,800,312	5,800,312	18,614,691	259,628	513,302	519,512	1,292,442	-1,460,070	-1,087,491	-3,267	-2,550,828	-169,861	22,986,756	5,582,820	28,569,576

Sino-American Silicon Products Inc. and Subsidiaries

Consolidated Statement of Changes in Stockholders' Equity

Years ended December 31, 2014

Unit: NT$ thousand

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Others	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	5,231,191	5,231,191	14,977,502	213,967	102,349	64,423	380,739	-1,489,219	-802,589	0	-2,291,808	0	18,297,624	2,288,267	20,585,891
Legal reserve appropriated				6,442		-6,442	0						0		0
Special reserve appropriated					57,981	-57,981	0						0		0
Changes in equity of associates and joint ventures accounted for using equity method			83,939							-6,989	-6,989		76,950		76,950
Cash dividends from capital surplus			-523,142										-523,142		-523,142
Profit (loss)				0	0	1,128,445	1,128,445						1,128,445	170,822	1,299,267
Other comprehensive income						-50,667	-50,667	-172,185	-191,324		-363,509		-414,176	-868	-415,044
Total comprehensive income				0	0	1,077,778	1,077,778	-172,185	-191,324		-363,509		714,269	169,954	884,223
Shares issued for pursuant to acquisitions	568,881	568,881	2,280,177			-685,587	-685,587	-8,206			-8,206		2,155,265	-2,155,265	0
Changes in ownership interests in subsidiaries			153,231										153,231	477,394	630,625
Changes in non-controlling interests			0			0	0						0	0	0
Share-based payments			22,696										22,696	142	22,838
Others	240	240	1,106										1,346	-95,593	-94,247
Total increase (decrease) in equity	569,121	569,121	2,018,007	6,442	57,981	327,768	392,191	-180,391	-191,324	-6,989	-378,704	0	2,600,615	-1,603,368	997,247
Equity at end of period	5,800,312	5,800,312	16,995,509	220,409	160,330	392,191	772,930	-1,669,610	-993,913	-6,989	-2,670,512	0	20,898,239	684,899	21,583,138

Sino-American Silicon Products Inc. and subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2015 and 2014

(Expressed in NT$ Thousand unless otherwise stated)

I. Background of the Company

Sino-American Silicon Products Inc. (hereinafter referred to as "the parent company") was incorporated in accordance with the Company Act of the Republic of China in January 1981; also, the Chunan Branch was established in June 2005 at No. 8. Industrial East Road 2, Hinchey Science Park, Taiwan, R.O.C. The company, as well as its subsidiaries (collectively referred hereinafter as the "Company") mainly engages in the design, production and sale of semi-conductor silicon materials and components, rheostat, optical and communications wafer materials; also the related technology, management consulting business, and technical services of the photo-voltaic power system generation and installation.

The parent company's stocks have been traded publicly at the Taipei Exchange (referred hereinafter as TPEx) since March 2001.

For the purpose of reorganization and provision of professional work to enhance competitiveness and business performance, a resolution was reached at the shareholders' meeting of the parent company on June 17, 2011 to have the semiconductor business and sapphire business (including the related assets, liabilities and business operations) split and transfer the businesses o the parent company's 100% owned subsidiaries, Globalwafters Co., Ltd. (hereinafter referred to as "Globalwafters") and Sino Sapphire Co., Ltd. (hereinafter referred to as "Sino Sapphire") with the base date of split as scheduled on October 1, 2011. The parent company based on the net carrying value of the semiconductor business paid NT$38.50 per share to acquire 180,000 thousand shares at NT$10 par value per share of Globalwafers; also, based on the sapphire business net assets the parent company paid NT$40 per share to acquire 40,000 thousand shares at NT$10 par value per share of Sino Sapphire.

A resolution merging with Sunrise Global Solar Energy Co., Ltd. (hereinafter referred to as "Sunrise Global") was reached by the Board of Directors on August 12, 2013 with the base date of merger scheduled as August 1, 2014. The parent company is the surviving corporation and Sunrise Global is discontinued after the merger.

Stocks of Globalwafers have been approved for public trading at Taipei Exchange (TPEx) since September 25, 2015, and at the same date have stopped being traded at ESM.

II. Approval date of the financial statements and the procedure

The consolidated financial reports have been approved by the board of directors on March 22, 2016.

III. Application of the newly published and amended standards and interpretations

(I) The impact of not implementing the International Financial Reporting Standards approved and amended by the Financial Supervisory Commission (hereinafter referred to as the "FSC"):

According to the 2013 version of IFRS (not including IFRS 9, 'Financial instruments') as endorsed by FSC in preparing the consolidated financial statements since 2015. The related new standards, interpretations and amendments released by International accounting standard board (abbreviated as IASB hereinafter) are listed below:

Newly released / modified / amended standards and interpretations	The effective date announced by the IASB

Amendments to IFRS 1, “Limited exemption of the International Financial Reporting Standards No. 7 “Comparative Disclosure” to the initial adopters”	2010.7.1
Amendments to IFRS 1, “The removal of the fixed date for the initial user with severe inflation”	2011.7.1
Amendments to IFRS 1, “Government Loans”	2013.1.1
Amendments to IFRS 7, “Disclosure - Transfers of financial assets”	2011.7.1
Amendments to IFRS 7, “Disclosure - Offsetting of financial assets and financial liabilities”	2013.1.1
IFRS 10, “Consolidated Financial Statements”	2013.1.1 Effective of investment entity
IFRS 11, “Joint agreement”	2013.1.1
IFRS 12, “Disclosure of other entity’s equity”	2013.1.1
IFRS 13, “Measured at the fair value”	2013.1.1
Amendments to IAS 1, “Presentation of other comprehensive income accounts”	2012.7.1
Amendments to IAS 12, “Deferred income tax: Recovery of the subject assets”	2012.1.1
Amendments to IAS 19, “Employee benefits”	2013.1.1
Amendments to IAS 27, “Separate Financial Statements”	2013.1.1
Amendments to IAS 32, “Offsetting of financial assets and financial liabilities”	2014.1.1
IFRIC 20, “Stripping Costs in the Production Phase of a Surface Mine”	2013.1.1

Based on the management’s assessment, the adoption of the 2013 version of IFRSs has no significant impact on the consolidated financial statements:

1. IFRS 10 “Consolidated Financial Statements”

IFRS 10 has replaced IAS 27 “Consolidated and Separate Financial Statements” regarding requirements set forth for the consolidated financial statement, and change the name of IAS 27 to “Separate Financial Statements” and superseded SIC-12 Consolidation – Special Purpose Entities. It also redefined the meaning of control. When the company is exposed to the variable remuneration by involving in the activities of an invested entity or when it is entitle to the right of such return, and is capable to affect the returns through its power over the invested entity, the company controls the entity.

The Company has complied with the above regulations to change the accounting policy in term of determining whether to consolidate the investee due to obtaining control.

2. IFRS 12 “Disclosure of Interests in Other Entities”

Requirements regarding disclosures of interests in subsidiaries, joint agreements, affiliated companies and structured entities not included in consolidated financial statements in all other accounting standards are consolidated into this standard, including information to be disclosed. The Company has complied with the standard to increase the disclosure of the information of the subsidiaries and affiliated companies.

3. IFRS 13 “Disclosure of interests in other entities”

This Standard changes the definition of fair value measurement, provides a framework for measuring fair value and requires disclosures about fair value measurement. The Company has complied with the regulations to add the relevant disclosure of fair value measurement (please refer to note 6(31) for detail. The Company also has complied with regulations regarding the transition as set for by the standard to defer the adoption of the new standard with respect to fair value measurement. The comparative information is not required for the newly added requirement on disclosure. Even the new measurement was deferred and adopted in 2015, there was no significant impact to the measurement of fair value of the Company's assets and liabilities.

4. IAS 1 "Presentation of financial statements"

The standard amends the presentation of other comprehensive income and has the other comprehensive income classified into two categories: "items that will not be reclassified subsequently to profit or loss"; and "items that will be reclassified subsequently to profit or loss". The amendment also requires other comprehensive income, listed with amount before tax, be disclosed separately in accordance with the aforesaid two categories. The Company will adjust its presentation of the statement of comprehensive income.

5. IAS 19 "Employee benefits"

Major amendments of the Standards include net interest determined by multiplying net defined benefit liability (asset) with the discount rate. It is used to replace the interest cost and expected return of the plan assets set forth by the standard before amendments; the deleting of actuarial gain or loss may be selected between two accounting polices: one is to adopt the "corridor approach" and the other is to include it in profit or loss upon occurrence. The standard also requires that the actuarial gain or loss be included in profit or loss upon occurrence, the service costs of prior period should be expenses and listed under other comprehensive income upon occurrence, no longer amortized with straight line over average period before vesting. In addition, the company should recognize departing benefit at times when it cannot revoke offer of such benefit or upon recognizing relevant reorganization costs, depends whichever comes earlier. It cannot recognize the liability and expenses when receiving confirmation of the commitment for departure. The amendments also requests a broader disclosure in defined benefit plans.

The Company has complied with the above regulations to change the accounting policy in term of measuring and presentation of net defined benefit liability, pension cost and actuarial gain and loss.

(II) Newly released IFRSs and SIC Interpretations that are not yet approved by the Financial Supervisory Commission (FSC):

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRSs as endorsed by FSC:

Newly released / modified / amended standards and interpretations	**The effective date announced by the IASB**
IFRS 9, "Financial instruments"	2018.1.1
Amendments to IFRS 10 and IAS 28 "Assets Sale or Purchase between Investor and the Affiliates or Joint Ventures."	Pending fort IASB's decision
IFRS 10, IFRS 12, and IAS 28 Amendment "Investment entity: Application of the exceptions for consolidated financial statements"	2016.1.1
Amendments to IFRS 11, "Acquisition of joint operation equity"	2016.1.1
IFRS 14, "Regulatory Deferral Accounts"	2016.1.1
IFRS 15, "Revenue from customer contracts"	2018.1.1
IFRS 16, "Leases"	2017.1.1
Amendments to IAS 1 ''Disclosure Initiative"	2016.1.1
Amendments to IAS 7 ''Disclosure Initiative"	2017.1.1

Amendments to IAS 12: “Deferred Taxes: Recovery of Underlying Assets”	2017.1.1
Amendment to IAS 16 and IAS 38, “Introduction of acceptable depreciation and amortization methods”	2016.1.1
Amendment to IAS 16 and IAS 41, “Production Plants”	2016.1.1
Amendment to IAS 19, “Defined benefit plan: employee contributions”	2014.7.1
Amendment to IAS 27, “Equity Method of individual financial statements”	2016.1.1
Amendment to IAS 36, “Disclosure of the recoverable amount of non-financial assets”	2014.1.1
Amendment to IAS 39, “Replacement of derivatives contracts and continuity of hedge accounting”	2014.1.1
Annual improvements in the periods of 2010-2012 and 2011-2013	2014.7.1
Annual improvements of IFRS in 2012-2014	2016.1.1
IFRIC 21, “Levies”	2014.1.1

The Company continues to assess the potential impact of the new standards and interpretations on financial position of the Company. The impact on will be disclosed when the assessment is completed.

IV. Summary of Significant Accounting policy

Significant accounting policies adopted by the consolidated financial statements are summarized as follows: Unless otherwise stated in note 3, the major accounting policies below have been consistently applied to all the periods the consolidated financial statements are presented.

(I) Compliance statement

The consolidated financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by FSC (collectively referred herein as the “IFRSs”)

(II) Basis of preparation

1. Measurement basis

Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(1) Financial instruments measured at the fair value through profit and loss (including derivatives);

(2) Available-for-sale financial assets measured at fair value;

(3) Ensure the defined benefit liability recognized is the net of pension assets less the present value of defined benefit obligation and limit on a defined benefit in Note 4 (17).

2. Functional currency and presentation currency

Each entity of contained in the consolidated financial statement uses currency in the economic and operating environment of each respective entity as functional currency. The consolidated financial statements are expressed in the company’s functional current NT Dollars. All financial information presented in NT dollars is expressed in NT$ thousand.

(III) Basis of consolidation

1. Principle of preparing the consolidated financial statements.

The subjects of the consolidated financial statements include the parent and entities controlled by the parent company (i.e. subsidiaries, including structured entities) When the parent company is exposed to the variable remuneration by involving in the activities of an invested entity or when it is entitle to the right of such return, and is capable to affect the returns through its power over the invested entity, the parent company controls the entity.

Subsidiaries are fully included in the consolidated statement s from the date they are controlled by the parent company. They are delisted from the consolidated financial statements on the date the parent company loses control. Inter-parent company transactions, balances and unrealized gains or losses on transactions are eliminated when preparing consolidated financial statements. The comprehensive income of the subsidiaries are attributed to the owners of the parent company and the non-controlling interests, even when doing so will make the balance of non-controlling equity a negative amount.

The financial statement of the subsidiaries are appropriately adjusted to make their accounting policies in line with that of the Company.

The Company treats all change of equity interests in subsidiaries not affecting its losing control of the subsidiaries as the subsidiaries' equity transaction with owners. The difference between adjustment of the non-controlling interest and the fair value of consideration paid or received are recognized directly under equity attributed owners of the parent company.

2. Subsidiaries included in the consolidated financial statements:

Subsidiaries included in the consolidated financial statements include:

Name	Name of subsidiary	Main Business Activities	Ownership (%) 2015.12.31	Ownership (%) 2014.12.31
Sino-American Silicon Products Inc.	Sino Silicon Technology Inc. (referred to as "SSTI" hereinafter)	Investment and triangular trade center with subsidiaries in China	100%	100%
Sino-American Silicon Products Inc.	Globalwafers	Manufacturing and trading of semiconductor silicon materials and components,	66.70%	94.92%
Sino-American Silicon Products Inc.	Sino-American Material Inc. ("Sino-American Material")	referred hereinafter as Sino-American Material	90%	90%
Sino-American Silicon Products Inc.	Aleo Solar GmbH(referred hereinafter as Aleo Solar, original name as SCP Solar GmbH)	Solar cell manufacturing and sale and wholesale of electronic materials	100%	100%
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Investments in various businesses	100%	-
Sino-American Silicon Products Inc.	EZtech, Inc (referred hereinafter as "EZtech")	Power generating business	100%	-
SAS Sunrise Inc.	SAS Sunrise Pte. Ltd.	Investments in various businesses	100%	-
SAS Sunrise Pte. Ltd.	Sulu Electric Power and Light Inc.(referred as SPV hereinafter) (Note 1)	Power generating business	40%	-
SAS Sunrise Pte. Ltd.	MLED International Systems Inc. (referred to hereinafter as AMLED)(Note 2)	Investments in various businesses	-	-
AMLED	SPV	Power generating business	45%	-
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Solar cell manufacturing and sale and wholesale of electronic materials	100%	100%
Aleo Solar	Aleo Sunrise GmbH (referred to hereinafter as Aleo Sunrise)	Manufacturing of solar cell as well as sale and wholesale of electronic materials	100%	-
Globalwafers	GlobalSemiconductor Inc. (referred as GSI)	Investments in various businesses	100%	100%
Globalwafers	GlobalWafers Inc. (hereinafter referred as "GWI")	Investments in various businesses	100%	100%

Name	Name of subsidiary	Main Business Activities	Ownership (%) 2015.12.31	Ownership (%) 2014.12.31
Globalwafers	GWafers Co., Ltd. (hereinafter referred to as "GWafers")	Investments in various businesses	100%	100%
GSI	Sino-America Silicone Products Inc. (hereinafter referred to as "Sino-America Silicone")	Processing and trading of silicon ingots and silicon wafers	100%	100%
GWI	GlobiTech Incorporated (hereinafter referred to as "GTI")	Manufacturing of epitaxy, silicon wafer as well as OEM and trading of epitaxy	100%	100%
GWafers	GlobalWafers Japan Co., Ltd.(referred as GWI)	Semiconductor silicon wafer manufacturing and trading	100%	100%

Note 1: Even the Company has voting power of SPV for less than 50%, however through effective negotiation with SPV and other investors the Company gets to control the financial and business strategy and thus consider SPV as a subsidiary.

Note 2: Even the Company does not hold the owner's right of AMLED, however according to the negotiated terms signed with AMLED, the parent company can control the financial and business strategy of AMLED and obtain all interests from its operation and net assets. Therefore the Company consider AMLED as a subsidiary.

For the vertical integration of the solar business, the parent company set up EZtech Inc. and plant to engage in the generating of electric power. The parent company has invested NT$ 5,000 thousand and hold 100% of EZtech, Inc.

To cope with the fast growing demand of the market and avoid interference of trade war, as resolved by the board of directors the parent company has set up a solar cell plan in Germany Aleo Sunrise on August 10, 2015 to expand the production capacity of solar cells that are highly effective in conversion of the solar energy. This is to increase the service quality and develop the potential European market nearby. The investment amounted to Euro 25 thousand.

To expedite overall operating efficiency and revenues, as resolved by the board of directors the parent company has reinvested a solar cell plan in Palo Philippines with electricity generating capacity of 50MW on June 26, 2015. Through vertical integration, the parent company gets to step its foot to the system end and actively involved in the investment and construction of global solar cell stations and expand the parent company's solar cell system territories worldwide. To cope with the demand to set up the solar cell plant in the reinvestment in Palo, Philippines, as resolved by the board of director of the parent company on August 10 2015 to invest in SPV through SAS Sunrise Inc. To cope with the demand to develop the solar cell plant, in November 25, 2015 the parent company has invested SPV through SAS Sunrise Pte., and let SAS Sunrise Inc. to hold SAS Sunrise Pte. Ltd. 100% shares.

For the purpose of vertical integration of solar business to enhance competitiveness and business performance, a resolution was reached at the board of directors meeting by the parent Company to merge with Sunrise Global on August 12, 2013 with the base date of merger scheduled as August 1, 2014. The parent company is the surviving corporation and Sunrise Global is discontinued after the merger. Both parties resolved that Sunrise Global pays NT$2.16 per common share to acquire 1 common share of parent company. The merger was approved and filed with the authority in charge.

For the strategic development of solar module, As resolved by the board of Directors on May 13, 2014, the parent company set up Sino-American Material Inc. to engage in the manufacturing and sales of EVA films used by solar modules with a paid in capital of NT$100,000 thousand. A plant with annual production capacity of 600 MW EVA was set up, and the registration of the new company was completed on May 30, 2014. The parent company has invested in the new company for NT$90,000 thousand and holds 90% shares of the new company.

As approved by its board of directors on January 22, 2014, Sunrise Global has joint ventured with other investor to incorporate an offshore subsidiary SCP Solar GmbH. Registration for the subsidiary was completed in February in Germany and the subsidiary was formally established. As of December 31, 2014 the paid in capital was Euro 13,500 thousand.

For information regarding the net asset acquired by subsidiary of Sunrise Global SCP Solar GmbH please refer to Note 6 (8). On June 2nd, 2014, SCP Solar GmbH has changed the name of SCP Solar GmbH to Aleo Solar GmbH.

3. Subsidiaries not included in the consolidated financial statements: None.

(IV) Foreign Currency

1. Foreign currency transactions

Foreign currency transactions are converted into the functional currency in accordance with the exchange rates prevailing on the transaction date. Monetary items denominated in foreign currency are converted into functional currency in accordance with the exchange rates prevailing on the reporting date (referred to herein after as reporting date). The exchange profit and loss is the difference between the amortized cost denominated in the functional currency at the beginning of the year with the current effective interest adjusted and paid, and the amortized cost denominated in foreign currency translated in accordance with the exchange rate of the reporting date.

The non-monetary item denominated in foreign currency measured at fair value is converted into the functional currency in accordance with the exchange rate on the date the fair value is measured. The non-monetary item denominated in foreign currency measured at historical cost is translated in accordance with the exchange rate on the trading day.

Except for the difference from foreign exchange from translation of monetary financial assets available for sales, others are recognized in profit or loss.

2. Foreign operation institutions

The assets and liabilities of foreign operation, including goodwill and fair value adjustments arising on acquisitions, are converted into the functional currency according to the exchange rate on the reporting date. Incomes and expenses are denominated in accordance with the current average exchange rate and with the exchange differences recognized in other comprehensive income.

V. Standards to reclass current and non-current assets and liabilities

Assets fulfilling one of the following requirements are classified as current assets. Assets other than current assets are classified as non-current assets.

1. Assets arising from operating activities that are expected to be realized, or intended to be sold or consumed within the normal operating cycle;
2. Assets that are held for trading purposes;
3. Assets that are expected to be realized within twelve months after the balance sheet date;
4. Cash or cash equivalent, excluding the assets that are to be used for exchange or liquidating debts within twelve months after the balance sheet date or restrictive assets.

Liabilities fulfilling one of the following requirements are classified as current liabilities. Liabilities other than current liabilities are classified as non-current liabilities:

1. Liabilities expected to be paid off within the normal operating cycle;
2. Assets that are held for trading purposes;
3. Liabilities that are expected to be liquidated within twelve months after the balance sheet date;
4. Liabilities with settlement date unable to be extended at least twelve months after the balance sheet date; No impact will be on classification of liabilities with terms determined by the counterparties that lead to settlement of the liabilities by issuing of equity instruments.

(VI) Cash and cash equivalent

Cash includes cash on hand and the demand deposits. Cash equivalent refers to short-term and highly liquidating investments that can be converted to a known amount of cash with very little risk of changes in value. Time deposits that meet the definition referred above and are for the purpose of fulfilling short-term cash commitments rather than investment or other purposes are reported as cash equivalent.

(VII) Financial assets

Financial assets and financial liabilities are recognized when the parent company enters into a financial instruments contract with other party.

1. Financial assets

Financial assets are classified as: financial assets at fair value through profit or loss, financial assets available-for-sale and receivables.

(1) Financial assets measured at fair value through profit and loss

These types of financial assets refer to financial assets held for sales or designated as financial assets at fair value through profit or loss

The main purpose to acquire or have these financial assets is sell or repurchase in a short term. For financial assets held for other purpose other than trading, the Company may designate it as at fair value through profit or loss on initial recognition:

A. Eliminate or significantly reduce the measurement or recognition inconsistency arising from the use of different basis for measuring assets or liabilities and recognizing the related profit and loss.
B. The performance of financial assets is assessed on the basis of fair value.
C. Hybrid instruments with embedded derivatives.

Such financial assets are measured at fair value during the original recognition. The transaction cost is recognized in profit or loss upon recognition. The subsequent evaluation is measured at fair value with the profit and loss (including related dividend income and interest income) arising from the re-measurement recognized in profit or loss and reported in the “non-operating income and expense” account. The purchase or sales of financial assets in ordinary course of business is handled in accordance with the accounting treatment of the trading date.

(2) Financial assets in available-for-sale

Such financial assets are designated as financial assets available for sale or non-derivatives financial assets of other category. Financial assets are measured at fair value plus attributed transaction cost at initial recognition; financial assets are subsequently measured at fair value. Except for impairment losses and dividend income recognized as gains or losses, the change in carrying amount is recognized in other comprehensive income and the unrealized profit or loss of the financial assets available-for sale is accumulated under the equity account. When derecognizing, the cumulative amount of gain or loss under the equity account is reclassified to profit or loss and reported under the “non-operating income and expense” account. The purchase or sales of financial assets in ordinary course of business is handled in accordance with the accounting treatment of the trading date.

If such financial assets are equity investments “without quoted market price and reliably measured fair value,” it is measured at cost net of impairment loss and reported at “financial assets carried at cost” account.

Dividend incomes from equity investment are recognized on the day the Company is entitle to receive it, generally the ex-dividend date, and as under other non-operating income and expenditures.

(3) Accounts receivables

Accounts receivables are financial assets without a quoted market price and with fixed or determinable payment amount, including notes and accounts receivables and other receivables. It is measured at fair value plus directly attributed transaction cost at initial recognition. In the subsequent period it is measured in accordance with the effective interest rate method and the amortized cost is net of impairment loss, except for short-term receivables with insignificant interest recognized. The purchase or sales of financial assets in ordinary course of business is handled in accordance with the accounting treatment of the trading date.

Interest income is reported in the “non-operating income and expense” account.

(4) Impairment of financial assets

The impairment of the financial assets not measured at fair value through profit or loss should be assessed on each reporting date. When there is objective evidence indicating that the estimated future cash flow of asset might suffer a loss due to one or more incidence after the initial recognition of financial assets, it means the financial asset is impaired.

Objective evidence of impairment on financial assets includes significant financial difficulty of the issuer, default (such as delay in interest or principal payments or non-payment), and the disappearance of active market for financial assets due to financial difficulties. In addition, the significant or permanent decline of fair value in cost of equity investments available for sale is also an objective evidence of impairment.

If the accounts receivable, after individual assessment, prove to be without identified impairment, they should be jointly assessed with other for further assess of impairment. Observable evidence of the accounts receivable portfolio may include collection experiences of the Company, whether the increase of default rate of the portfolio is beyond average credit period, as well as the adverse changes in the payment status of borrowers in national or local economic conditions.

The recognized impairment loss of financial assets measured at cost is the difference between the carrying amount of the assets and the present value of the estimated future cash flow discounted at the market return rate on similar assets. Such impairment loss cannot be reversed in the subsequent period.

Impairment loss of financial assets is directly deducted from carrying amount of financial asset; however, the carrying amount of accounts receivables is adjusted down with the allowance account. The account receivable determined to be uncollectible is written off against the allowance account. The amount recovered that was previously written off is credited to the allowance account. Changes in the carrying amount of the allowance account are recognized in the profit or losses.

If there is impairment loss of the available-for-sale financial instruments, the accumulated profits or losses previously recognized as other comprehensive income shall be reclassified as gain or loss.

The impairment loss of equity investments available-for-sale that was previously recognized in the profit or loss shall not be reversed and recognized in profit or loss. The recovery in fair value of any impairment loss previously recognized is recognized in other comprehensive income and accumulated under the “other equity interest” account. If the recovery in fair value of liability instruments available for sale can be objectively linked to an incident after the occurrence of impairment loss, it can be reversed and recognized in profit or loss.

The loss and recovery of the bad debt of accounts receivable are reported as marketing expenses. The impairment loss and recovery of financial assets other than accounts receivables are reported under the “non-operating income and expense” account.

(5) De-recognition of financial assets

The Company derecognizes financial asset when the contractual rights to receive cash flows from the financial asset has transferred, or the Company has transferred substantially all risks and rewards of ownership of the financial asset.

When derecognizing one single financial asset entirely, the difference between the carrying amount and the consideration received or receivable plus the amount recognized in other comprehensive income are accumulated under the “other interest – unrealized gain or loss from valuation of financial assets available for sale”, and reported under the “non-operating income and expense” account.

When not derecognizing one single financial asset entirely, the Company uses relative fair value of each component on the transfer date as basis to allocate the original carrying amount to the portion recognized for continuing participating and anther portion that is derecognized. The difference of carrying amount allocated to the portion derecognized and the sum of considerations received from de-recognition plus the accumulated profit or loss recognized in other comprehensive income that is allocated with the portion derecognized is reported under the “non-operating income and expense” account. The profit or loss recognized in other comprehensive income is allocated with the portion recognized for continuing participating and another portion that is derecognized in pursuant to the their relative fair value.

2. Financial liability and equity instrument

(1) Classification of liabilities or equity

The Company’s debt and equity instruments issued are classified as financial liabilities or equity in accordance with definition of the contractual agreements.

Equity instrument refers to any contract signifying the Company’s residual interest after deducting all liabilities from the assets. The equity instrument issued by the Company is recognized at the acquisition cost net of the direct issue cost.

Interest and loss or gain related to the financial liabilities are recognized in profit or loss and reported under the “non-operating income and expense” account.

(2) Other financial liabilities

Financial liabilities include long-term and short-term loans, accounts payable and other payables. Financial liabilities are measured at fair value plus directly attributable transaction cost when initially recognized; subsequently, they are valued in accordance with the effective interest rate method and measured at the amortized cost. Interest expense not capitalized as a cost of asset is reported under the “non-operating income and expense” account.

(3) Derecognition of financial liabilities

The Company’s financial liability is derecognized when the contractual obligations have been performed, cancelled or expired.

When derecognizing financial liability, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in the gains or losses and reported in the “non-operating income and expense” account.

(4) Financial assets and liabilities offsetting

Financial assets and liabilities are offset and reported in the net amount in balance sheet when there is a legally enforceable right to offset the recognized amounts and there is intention to settle on a net basis or realize the asset or settle the liability simultaneously

(VIII) Inventories

Inventory is valued at a lower level than the cost or net of the realizable value. Costs include costs of acquisition, production or processing and other costs necessary to make the product available at the designed location and status, which is calculated in accordance with the weighted average method. The cost of finished goods and work-in-process goods includes manufacturing cost that is amortized proportionately to the regular productivity.

The net realizable value is calculated in accordance with the estimated selling price in the course of business net of the costs needed to complete the project and the selling expenses.

(IX) Investing in the affiliated Companies

Affiliates are all entities over which the Company has significant influence but not control.

The Company has adopted equity method to account for interests in the affiliated companies. Under the equity method, investment is initially recognized at cost. Investment cost includes transaction cost. The carrying amount of investment in the affiliates includes goodwill recognized at initial investment, net of any accumulated impairment losses.

After adjusting the accounting policies of the affiliated parent company to be in line with that of the Company, the consolidated reports included the income and loss as well as other comprehensive income of the affiliate companies the Company recognized in proportion to its shares owned in the affiliated companies from the date the Company has significant influence over the affiliated parent company until the date it ceases to have such significant influence. When the affiliates have changes in equities not in relations to income or loss or other comprehensive income and not affecting the shares held by the Company, the changes of equity of the Company’s shares in the affiliated companies should be recognized in proportion to its shares in the equity as capital reserve.

Unrealized gains on transactions between the Company and affiliates are eliminated to the extent of the Company’s interest in the affiliates. The elimination of unrealized loss is the same as the written-off unrealized gain but is limited to the circumstances when the impairment evidence is not available.

When the Company’s share of losses in the affiliates equals or exceeds its interests in the affiliates, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the affiliates, then additional loss or relevant liability would be recognized.

When the Company subscribes to additional shares in the affiliated companies or jointly controlled entity at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the net assets of the affiliated companies or jointly controlled entity. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. However if the balance of capital surplus is insufficient from investment accounted using equity method, the difference should debit to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of affiliated companies or joint controlled entity by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that affiliated companies or jointly controlled entity shall be reclassified to profit or loss on the same basis as would be required if the associate or jointly controlled entity had directly disposed of the related assets or liabilities.

(X) Property, plant and equipment

1. Recognition and measurement

Recognition and measurement of real estate property, plant and equipment is based on the cost model. The cost of property, plant and equipment is net of the accumulated depreciation and accumulated impairment. Costs include expenditures directly attributable to assets acquisition. The cost of self-built assets includes raw materials and direct labor, direct attributable cost to have the assets available for the intended use, demolition, removal and restoration of the location, and the loan cost in line with the requirements of assets capitalization. Software acquired for integrating the function of the related equipment is capitalized as part of the equipment.

When real estate property, plant, and equipment contains different components and the cost is relatively significant to the total cost of the item; also, when the use of a different depreciation rate or method is more appropriate, it should be treated as a separate item of the property, plant and equipment (a major component).

The profit and loss from disposal of real estate property, plant and equipment is determined according to the difference between the carrying amount and the disposal amount of the real estate property, plant and equipment; The difference is recognized under the "non-operating income and expense" account at a net amount.

2. Subsequent cost

If the future benefits for incurring subsequent costs of the real estate property, plant and equipment is expected to flow in the parent company, and the amount can be reliably measured, the expenditures can be included in the asset's carrying amount. The carrying amount of the replacement is derecognized. The routine repair and maintenance cost of real estate property, plant and equipment is recognized in profit or loss when incurred.

3. Depreciation

Depreciation is calculated in accordance with the asset cost net of residual value, the estimated years of useful life and the straight-line method. Each significant component the asset is assessed. If the useful life of an integral component is different from others in the asset, the unique component should be depreciated separately. The appropriated depreciation is recognized in profit or loss.

No depreciation on land.

Estimated useful lives for the current and comparative periods are as follows:

(1) Real estate and building: 2~50 years
(2) Machinery equipment 2~25 years
(3) Other equipment 2~25 years
(4) The major parts of housing and construction include plant building, electrical power

engineering and wastewater treatment systems, whose depreciation are appropriated in accordance with the useful life of 25~50 years 25 years , and 4~23 years, respectively.

The Company should at least review the depreciation method, useful life and salvage value. If the expected value is different from previous estimate, appropriate adjustment should be made. The change will be treated as changes of accounting estimate.

(XI) Lease

In accordance with the lease terms, if the Company assumes almost all risks and rewards in relation to ownership of the leased assets, it is classified as finance lease. Assets held under finance lease are initially recognized as assets at fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Subsequently they are treated pursuant to accounting policy relevant to these assets.

The minimum finance lease payments should be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge should be allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Other leases are operating lease which are not listed in the balance sheet of the parent company's balance sheet.

For operating leases (not including service charges such as insurance and maintenance fees), the lease payments are recognized as expenses in the income statement over the lease term on a straight-line basis.

Expenditures associated with obtaining right to use land is booked as acquisition costs and amortized in 50 years in accordance with contract or estimated years of benefit, whichever is shorter.

(XII) Intangible Assets

1. Goodwill

(1) Initial recognition

Goodwill from acquiring subsidiaries are included in the intangible assets.

(2) Subsequent measurement

Goodwill is measured as costs minus accumulated impairment loss. In term of investment accounted for using equity method, the carrying amount of goodwill is included in the carrying amount of the investment. Therefore impairment loss of such investment is not allocated to goodwill and any asset, and is a portion of the carrying value of the investment accounted for using equity method.

2. Research and development

Research phase refers to the activity conducted to acquire and understand new scientific or technological knowledge; also, the related expense is recognized in the gain or loss when they are incurred.

The expenditure accrued in the development phase that meets all the following conditions simultaneously is recognized as an intangible asset; however, if it does not meet all the following conditions, it is to be recognized in the gain or loss when incurred:

(1) Technical feasibility of the intangible asset is completed and the intangible asset is ready for use or sale.
(2) The intention is to have the intangible asset completed for use or sale.
(3) The Company is capable of using or selling the intangible asset.
(4) The intangible asset is likely to generate future economic benefits.
(5) The Company has sufficient technical, financial and other resources to complete this development and to use or sell the intangible asset.
(6) The expenditure attributable to the intangible asset development can be reliably measured.

3. Other intangible assets

Other intangible assets obtained by the Company is measured as costs minus accumulated amortization and accumulated impairment loss.

4. Subsequent expenditures

Subsequent expenditures that can help increase the future economic benefits of the specific assets can be capitalized. All other expenses are recognized in the profit or loss when incurred.

5. Amortization

The amortizable amount is the asset cost, net of residual value.

Except for goodwill, intangible assets from the state available for use is amortized in accordance with the straight-line method over the estimated useful life of 2~5 years; also, the amortization amount is recognized in the profit or loss.

For intangible assets, the Company should review the salvage, amortization period and method at least once on the reporting date each year. If there is any change, it should be treated as change of accounting estimate.

(XIII) Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indications the assets, except inventories and deferred tax assets, are impaired and the recoverable amount. If the recoverable amount cannot be assessed for individual item, the recoverable amount of each cash generating unit is used for assess of the recoverable amount.

The recoverable amount is the fair value of an individual asset or the cash-generating unit net of the sale cost or value in use, whichever is higher. If the recoverable amount of an individual asset or cash-generating unit is lower than the carrying amount, the carrying amount of the individual asset or cash-generating unit is adjusted down to the recoverable amount with the impairment loss recognized. Impairment loss is recognized immediately in the gain or loss of the current period.

The Company re-assessed on each reporting day whether there are indications that the impairment loss of non-financial assets other than goodwill recognized previously have been eliminated or reduced. If the estimates used to determine the recoverable amount are changed, the impairment loss should be reversed in order to increase the carrying amount of the individual asset or cash-generating unit to the recoverable amount; however, it shall not exceed the carrying amount of the individual assets or cash-generating unit in the prior period before recognizing the impairment loss but after appropriating the depreciation or amortization.

Goodwill is tested for impairment annually and the recoverable amount below the book value is recognized in the impairment loss.

For the testing of impairment, goodwill should be allocated to each cash generating unit that expects to receive synergized benefit (or cash generating units) If the recoverable amount of the cash-generating unit is less than its book value, the impairment loss is applied to offset the carrying amount of the goodwill amortized to the cash-generating unit and then to the book value of the assets within the unit proportionately. The goodwill impairment loss recognized cannot be reversed in the subsequent period.

(XIV) Provision

Provisions of warranties are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provision is discounted at the pre-tax discount rate that reflects the monetary time value and debt specific risk assessed by the market. The amortization of the discount is recognized as an interest expense.

1. Restoring the plant site

In accordance with the applicable rules and regulations, liability reserve for recovery on the land leased by the Japan subsidiary is appropriated and relevant expenses is recognized during the lease term.

2. Onerous contract

When the Company expects to fulfill a contractual obligation that is inevitably with costs exceeding the expected economic benefits from the contract, the liability reserve for the onerous contract should be recognized. Such provision is measured at lower than the estimated cost of the terminated contract and the present value of the estimated net cost of the continued contract; also, recognize all impairment losses related to such assets before recognizing the liability reserve of the onerous contract.

(XV) Treasure Stock

The Company has the outstanding stock shares repurchased and classified as “Treasury stock” for the considerations (including the amount attributable to the cost) net of taxes paid and then debited to the equity If the disposal price of the treasury stock is higher than the carrying amount, the difference is classified as “Capital surplus- – Treasury stock;” if the disposal price is lower than the carrying amount, the difference is applied to write off the Capital surplus - treasury stock in the same category or debited to retained earnings, if there is an insufficient amount. The carrying amount of treasury stock is calculated in accordance with the weighted average method and is calculated separately in accordance with the reason for repurchase.

When the treasury stock is cancelled, the “capital surplus – Treasury stock” is debited proportionately to the equity shares, the difference is applied to write off the capital surplus - treasury stock in the same category or debited to retained earnings, if there is an insufficient amount. If the carrying amount is lower than the sum of par value and the premium from issuing stocks, it shall be debited to the additional paid in capital from transactions of the treasury stock in the same category

(XVI) Revenue Recognition

1. Products sales

The income from product sales in the course of business is measured at the fair value of the considerations received or receivable net of sales return, sales discount and volume discount. Income is recognized when persuasive evidence is available (usually a signed purchase order from the customers), the significant risks of ownership and considerations are transferred to the buyer, the proceeds are likely to be collected, the associated cost and possible sales returns can be estimated reliably, do not continue to be involved in instrument management and the amount of income can be measured reliably. If a discount is likely to occur and the amount can be measured reliably, it is credited to the income when the sale is recognized.

The timing for the transfer of risks and considerations depends on the individual term of the sales contracts.

2. Labor service income

The Company provides labor services to clients. Labor service income is recognized in accordance with the percentage of completion on the reporting date.

3. Government Grants

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate. Government subsidy received for government subsidized equipment is recorded as contra cost item. The subsidy should be used to reduce depreciation expenses within the useful life of the said equipment using the straight-line method.

(XVII) Employee Benefits

1. Defined contribution plan

The appropriation obligation under the defined contribution plan is recognized as employee benefits expense in the gain or loss account throughout the employee's service period.

2. Defined benefit plan

The retirement benefit plan that is not a defined contribution plan is classified as a defined benefit plan. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the parent company in current period or prior periods. Any unrecognized prior service cost and the fair value of the plan assets are deducted. The rate used to discount is determined by using interest rates of the government bonds that have terms to maturity approximating to the terms of the related pension liability and with the same currency at the balance sheet date.

Enterprise's net obligation is calculated annually by a qualified actuary in accordance with the project unit credit method. When the calculation is favorable to the Company, recognized assets are limited to the present value of the total economic benefit to be derived from the unrecognized prior service cost, the refund to be collected from the plan, or the reduction of the appropriation for the plan. The minimum fund appropriation needed for any plan of the Company should be considered when calculating the present value of the economic benefits. If a benefit can be realized in the plan period or upon the liquidation of the plan liability, it is with economic benefit to the Company.

For the plan benefit that is improved due to the service provided by the employees, it is to be recognized in the gain or loss in accordance with the straight line method over the average vested period. If the benefits will be vested immediately, the expense related to the vested benefit should be immediately recognized in the gains or losses.

Remeasurements of the net defined benefit liability or asset, comprising: (1) actuarial gains and losses; (2) return on plan assets, but not including net interest on the net defined benefit liability or asset; and (3) changes in the effect of the asset ceiling, but not including the net interest on the net defined benefit liability or asset. The remeasured net defined benefit liabilities are recognized in other comprehensive income. The Company chose to reclassify the amount recognized under other comprehensive income to retained earnings.

The Company, when experiencing curtailment or settlement, should recognize the curtailment or settlement profit or loss of the defined benefit plan. Curtailment or settlement gains and losses include any changes in the fair value of any plan assets and changes in the present value of defined benefit obligations.

3. Short-term employee benefits

Short-term employee benefit obligation is measured on an undiscounted basis; also, it is recognized as an expense when the related service is provided.

For the short-term cash bonus or the amount expected to be paid of a bonus plan, if the Company has a legal obligation or presumption of obligation due to the services rendered by employees and the obligation can be estimated reliably, the amount is recognized as a liability.

(XVIII) Share-based payment transactions

For the share-based rewards to be paid to the employees, compensation cost should be recognized with the respective equity increased in accordance with the fair value on the payment date when the employees are entitled to the rewards, unconditionally. The compensation cost to be recognized is adjusted in accordance with the rewards in line with the expected conditions of service. The final compensation cost recognized is based on the rewards in line with the expected conditions of service on the payment date.

(XIX) Income Tax

Income tax expense includes current and deferred income tax. Except for the items related to a merger or recognized directly in the equity or other comprehensive income, the current income tax and deferred income tax should be recognized in the profits or losses.

Current income tax includes the estimated income tax payable or tax refund receivable of the current taxable income (loss) calculated in accordance with the statutory tax rate on the reporting date or the substantive legislation tax rate and any adjustments to the tax payable of the previous years.

Deferred income tax is measured and recognized in accordance with the temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax basis. The temporary differences arising in the following circumstances will be without any recognized deferred income tax:

1. Assets or liabilities that are originally recognized in a transaction not attributable to a business merger; also, the transaction does not affect accounting profit and taxable income (loss).
2. It resulted from investing in subsidiaries and joint ventures; also, it probably won’t be reversed in the foreseeable future.
3. Original recognition of goodwill

Deferred income tax is measured in accordance with the tax rate in the expected asset realization or liability settlement period; also, it is based on the statutory tax rate or substantive legislation tax rate on the reporting date.

Income tax assets and liabilities cannot offset unless the all the following condition are met:

1. With statutory right to offset financial assets and financial liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the taxable entities that are levied by the same tax authorities:
   (1) The same taxable entity; or
   (2) Different taxable entities, but each entity intends to settle current income tax liabilities and assets at a net amount or to realize assets and liquidate liability simultaneously when a significant amount of deferred tax assets is expected to be recovered and deferred tax liabilities are expected to be liquidated in each future period.

The unapplied tax losses and unapplied tax credits carried forward and deductible temporary differences are recognized as deferred income tax assets within the range of probable future taxable income available for use. The deferred income tax assets should be reassessed on each reporting date and should be adjusted down within the range of improbable income tax benefit.

(XX) Business combination

The Company has goodwill measured in accordance with the fair value of the consideration paid on the transfer date, including any non-controlling interests attributable to the acquired company, less the identifiable assets acquired and liabilities assumed (usually, it is the fair value). If the balance after deduction is a negative value, the Company will have the purchase interest in a bargain recognized in the profit or loss after reassessing whether all the assets acquired and liabilities assumed have been properly identified.

Except for those related to debt issue or equity instruments, the transaction cost related to the merger must be recognized immediately as the parent company's expense upon its occurrence.

For the non-controlling interests of the entity acquired, if they are interests currently owned and owners are entitled to the entity's net assets in proportion to their shares in the entity upon its liquidation, the Company should measure all transactions, item by item, and choose to measure in accordance with fair value of assets on the acquisition date or the amount already recognized in proportion to its shares through the ownership instrument on the identifiable assets of the entity to be acquired. Other components of non-controlling interests must be measured at acquisition date fair values or in accordance with other applicable IFRSs.

For a merger conducted in progress, the Company will have the fair value of the interests of the acquired company re-measured on the acquisition date and with the relevant profit or loss, if any, recognized in the profit or loss. For the changes in the interests of the acquired company recognized in other comprehensive income prior to the acquisition date, the Company shall have it handled pursuant to the same manner as having the equity disposed of directly. If the equity at the time of disposition should be reclassified as profit and loss, the amount should be reclassified to the profit or loss.

If the original accounting process of the merger is yet to complete prior to the end of the merger reporting period, the Company may have the pending accounting items reported in a provisional amount; also, the provisional amount must be adjusted retro-actively throughout the measurement period or should have additional assets or liabilities recognized to reflect the information of the existing fact and status on the acquisition date throughout the measurement period. The measurement period shall not be more than one year from the acquisition date onwards.

The consideration transferred is measured at fair value of the acquisition date. After the acquisition date, if there is any change in the fair value of the consideration within the measurement period, the acquisition costs should be retroactively adjusted and the goodwill also adjusted accordingly. The adjustment during the measurement period is due to additional information regarding facts or conditions existing on the acquisition date but obtained afterward. The measurement period should not be more than a year after the acquisition date. For adjustment of change in fair value of the consideration not within the measurement period, the accounting treatment is subject to the classification of the consideration. No remeasurement should be applied to considerations classified as equity, and the subsequent settlement should be adjusted in the equity. For contingent considerations classified as assets or liabilities, the change of fair value is either recognized in gains or losses or other comprehensive income.

(XXI) Earnings per share

The Company illustrated the basic and diluted earnings per share attributable to the interests of common stock shareholders. Basic earnings per share is calculated by having the profit and loss attributable to the Company's common stock interests shareholders divided by the weighted average number of the outstanding common stock shares during the period. Diluted earnings per share is calculated by having the profit and loss attributable to the Company's common stock interests shareholders and the weighted average number of common stock shares outstanding adjusted for the effects of all potential diluted common stock shares, respectively. The potential diluted common shares of the Company include stock options granted to the employees and employee bonus and remunerations to employees by stocks to be resolved by the shareholders' meeting.

(XXII) Segment Information

Operating segment is a component of the Company engaging in activities that may earn revenues and incur expenses, including relevant revenues and expenses from other components of the Company. Operating results of all segments are routinely provided to the chief operating decision-maker for review for set up policy to allocate resources and assess performance of the operating segments. Each operating segment shall have its separate financial information.

(XXIII) Reason and effect for accounting changes

The Company had the useful life of the manufacturing equipment reviewed in 2014 with the useful life adjusted from the original 4~6 years to 8 years in order to reasonably reflect future economic effect of the assets. ,

The impact of the changes in estimates referred above on the depreciation expense is recognized in the cost of goods sold; also, the impacts on current and future periods are as follows:

	2015	2016	2017	2018	2019	2020	thereafter
Increase (decrease) of depreciation expense	$ (523,751	(334,083)	(37,505)	161,628	284,712	248,026	200,973

V. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTION ON UNCERTAINTY

While preparing the financial reports in compliance with the IFRSs as approved by FSC, the management should make judgment, estimate and assumption that would impact the adoption of accounting policy, as well as the amount reported for assets, liabilities, revenues and expenses. The actual results could differ from those estimates.

The management is to continue examining the estimates and underlying assumptions. Changes in accounting estimates are to be recognized during the affected and future periods.

The uncertainties of assumptions and estimates are with high risks causing material adjustments in the following year. Please refer to the following notes:

(I) Note 6 (11) assessment of impairment loss on real estate property, plant and equipment

(II) Note 6 (18) Liability Reserve

The accounting policy and disclosure of the Cmpany include the fair value measurement of financial and non financial assets and liabilities. The Company's financial and accounting departs are responsible for the independent verification of fair value. They have obtained information from independent sources to make the valuation result approximate to the market condition and ensure the information source to be independent, reliable and consistent with other resources and representing exercisable price. They have also rectified the valuation model, conducted retroactive test, update the input value required by the valuation model and other adjustment as necessary to the fair value, in order to ensure the valuation result to be reasonable.

The Company had made its best efforts to use observable input value available in the market when measuring the assets and liabilities. The definition of each fair value category is pursuant to the input values used by valuation techniques summarized as follows:

- ●Level I: The market quoted price of the identical assets or liabilities (unadjusted);
- ●Level II: In addition to the quoted prices included in Level I, the input parameters of the assets or liabilities can be observed directly (i.e. prices) or indirectly (i.e. derived from prices).
- ●Level III: Input parameters of the assets or liabilities are not based on the observable market data (non-observable parameters)

	2015.12.31	2014.12.31
Balance as of January 1	$ 51,854	52,742
Impairment loss recognized (reversed)	9,133	(888)
Balance as of December 31	**$ 60,987**	**51,854**
Individual assessment of impairments	$ 48,888	48,888
Collective assessment of impairments	12,099	2,966
	$ 60,987	**51,854**

The aging analysis of the Company's overdue receivable on the reporting date is as follows:

	2015.12.31		2014.12.31	
	Total amount	**Impairment**	**Total amount**	**Impairment**
Overdue 31~60 days	$ 8,817	1,258	8,113	716
Overdue 61~90 days	-	-	4,528	950
Overdue 91~120 days	5,172	437	2,342	1,043
Overdue 121~150 days	9,657	6,635	285	257
Overdue 151~180 days	4,168	3,694	-	-
Overdue 181~365 days	75	75	-	-
Overdue for over 1 year	48,888	48,888	48,888	48,888
	$ 76,777	**60,987**	**64,156**	**51,854**

The Company's average credit period for a sale is 0-210 days. Allowance for bad debt of accounts receivable is for recording bad debt expense and primarily based on the historical payment behavior, the customer's credit rating and the aging information to estimate the uncollectible amount.

For the control of credit risks of the accounts receivable, as of December 31, 2013, the Company has the relevant information of accounts receivable factored as follows:

The Company has signed agreements with certain financial institutions factoring its accounts receivable. Under the agreement, for the amount factored, the Company is not required to bear uncollectible risk of the debtor when he fail to pay at times when transferring the debts or fulfilling his payment obligation. As of the reporting date, the relevant information of debt transfer in relation to accounts receivable (including related party) receivable meet the derecognition criteria are as follows:

Unit: Japanese Yen in thousands

2015.12.31

Counterpart	Amount de-recognized	Line of credit	Overdraft amount	Interest rates interval	Guarantee item
DAISHI BANK ranking	$ 975,981	6,000,000	975,981	0.430%~1.475%	None.

2014.12.31

Counterpart	Amount de-recognized	Line of credit	Overdraft amount	Interest rates interval	Guarantee item
DAISHI BANK ranking	$ 4,938,475	6,000,000	4,938,475	0.742%~1.475%	None.

The accounts receivable factoring agreement mentioned above has a revolving line of credit. All the Company's accounts are not pledged as collaterals.

(IV) Inventories

	2015.12.31	2014.12.31
Finished goods	$ 14,876	-
Finished goods	2,412,495	2,053,895
Work-in-process goods	704,254	770,992
Raw materials	2,327,208	1,510,310
Supplies	290,045	271,802
	$ 5,748,878	**4,606,999**

Component of operating cost are as follows:

	2015	2014
Cost of goods sold	$ 23,523,133	23,446,339
Appropriation for inventory loss in valuation	48,079	74,007
Unamortized fixed manufacturing expense	249,375	358,978
Loss on purchase agreement	177,539	444,256
	$ 23,998,126	**24,323,580**

As of December 31, 2015 and 2014, the Company's inventories had not been provided as collateral.

(V) Available- for-sale financial assets – non-current

	2015.12.31	2014.12.31
Listed (OTC) stocks in other countries	$ 533,741	-
Listed stocks – Solartech Energy Corp.	598,453	619,089
OTC Stocks – Actron Technology Corporation	241,677	239,548
	$ 1,373,871	**858,637**

Significant equity investments denominated in foreign exchange accounted for under equity method

	2015.12.31			**2014.12.31**		
	Foreign currency	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**
USD	16,260	32.825	533,741	-	-	-

As of December 31, 2015 and 2014, the Company's financial assets referred to above had not been provided as collateral.

The impact of the changes in equity securities price (two-period analysis is on the same basis and assumes that other factors remain constant) in the reporting date on other comprehensive income:

Securities price on the reporting date		2015	2014
Up 10%	$	137,387	85,864
Down 10%	$	(137,387)	(85,864)

(VI) Financial assets carried at cost – Non current

		2015.12.31	2014.12.31
Equity investment	$	2,659,275	2,598,946
The cumulative amount of impairment loss recognized		(1,296,578)	(1,195,179)
	$	1,362,697	1,403,767

Cumulative impairments changes are as follows:

		2015	2014
Cumulative impairments – beginning	$	1,195,179	1,126,762
Impairment loss appropriated this period		57,826	-
Effect of foreign exchange		43,573	68,417
Cumulative impairments - ending	$	1,296,578	1,195,179

Significant equity investments denominated in foreign exchange accounted for under equity method

	2015.12.31			2014.12.31		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
USD	16,783	32.825	550,895	16,949	31.650	536,444

The Company’s stock investment referred to above is measured at cost, net of impairment loss on the reporting date. Since the fair value is with a broad range of reasonable estimation and the probability of estimations cannot be reasonably assessed; therefore, the management of the Company believes that the fair value cannot be reliably measured.

ZE Poly Pte Ltd. was closed and liquidated in 2015.

For the purpose to go with the business strategy and the consideration of the upstream, downstream and vertical integration and the implement of the strategies, the Company had increased investment in Sunshine PV Corp. (Sunshine) for NT$21,455 thousand in 2014; also, with the resolutions reached in the board meeting to increase investment in Powertec Energy Corporation (Powertec) for NT$76,936 thousand and in Accu Solar Corporation (Accu) for NT$86,097 thousand. After the additional investment in Accu Solar Corporation referred to above, the Company’s shareholding ratio was increased from 11.22% to 24.70% with significant influence over Accu Solar Corporation; therefore, the financial assets of Accu Solar Corporation that was measured at cost was transferred to the investment under the equity method. Please refer to Note 6 (7) for instructions.

As of December 31, 2015 and 2014, the Company’s financial assets referred to above had not been provided as collateral.

(VII) Investments accounted for using the equity method

The fair value of the Company's associates which have quoted market price was as follows

		2015.12.31	2014.12.31
Affiliated companies			
Crystalwise Technology Inc (referred as Crystalwise)	$	1,487,561	1,892,671
Accu Solar Corporation		119,306	112,193
	$	1,606,867	2,004,864

Affiliated companies Name	Main business venue with the Company By relationship	Main business venue/ Countries which parent company registered	Percentage of equity ownership interests and voting rights 2015.12.31	2014.12.31
Crystalwise Technology Inc.	Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material.	Taiwan	40.38%	40.45%
Accu Solar Corporation	Mainly engages in the business of solar cell module manufacturing	Taiwan	24.70%	24.70%

1. The affiliated companies that are significant to the parent company and listed with TPEX.

		2015.12.31	2014.12.31
Crystalwise Technology Inc.	$	1,022,421	2,278,175

Financial information of the affiliated companies that are significant to the Company are summarized as follows. The financial information has been adjusted with amount included in the individual financial reports of affiliated prepared in accordance with IFRSs to reflect the difference between the adjustment made by the parent company on the fair value upon obtaining the shares of the affiliated companies and the accounting policy.

Financial Summary of Crystalwise

		2015.12.31	2014.12.31
Current Assets	$	2,164,611	2,258,036
Non-Current Assets		3,408,441	3,272,735
Current Liabilities		(1,478,402)	(1,391,705)
Non-Current Liabilities		(1,037,647)	(144,663)
Net Assets		3,057,003	3,994,403
Net assets attributed to non-controlling interests	$	30,061	46,155
Net assets attributed to owner of the investee parent company	$	3,026,942	3,948,248

		2015	2014
Operating Revenues	$	2,181,316	2,507,151
Operating profit (loss) from continuing operations	$	(747,235)	86,683
Income and loss from discontinued operations		(136,772)	(44,404)
Other comprehensive income		(17,568)	40,400
Total comprehensive income	$	(901,575)	82,679
Total comprehensive income attributed to non-controlling interests	$	11,598	12,963
Total comprehensive income attributed to owner of the investee company	$	(913,173)	69,716

		2015	2014
The Company's share on net assets of the subsidiaries and affiliated companies accounted for using equity method – beginning of the period.	$	1,892,671	1,475,653
New investment this period and the change in net worth of equity of the affiliated parent company accounted for using equity method.		5,521	389,539
Total operating income attributed to the Company this current period		(394,214)	(55)
Other comprehensive income attributed to the Company this current period.		(6,235)	27,534
Dividends received from affiliated companies in this period		(10,182)	-
The Company's share on net assets of the subsidiaries and affiliated companies accounted for using equity method – end of the period.	$	1,487,561	1,892,671

2. For affiliates accounted for using equity method that are not significant, their financial information is summarized as follows. The financial information is the amount contained in the individual financial reports of the Company.

		2015.12.31	2014.12.31
The summarized carrying amounts of interests in the immaterial affiliated companies at end of period	$	119,306	112,193

The Company does not share any contingent liabilities of the affiliated parent company with other investors or have contingent liabilities arising from assuming the liability of the affiliated company.

As of December 31, 2015 and 2014, the Company's investments under the equity method had not been provided as collateral.

(VIII) Merger

The subsidiary of Sunrise Global (Aleo Soar) has signed sales agreement with Aleo Solar AG on February, 5, 2014 to purchase the land, plant, production equipment and patent rights of the solar modules plant Aleo Solar AG in Prenzlau for total value of 1 Euro, Germany with annual production capacity of 280MW, referred collectively as the net assets of Germany business. In addition, the seller Aleo Solar AG would pay Eur 10,000 thousand and working capital or subsidy of inventory around Eruo 11,500 thousand, on installment basis, as negative purchase price to Aleo Solar. Both parties has completed the matter agreed and procedures to settle the assets on May 16, 2014.

The revenues and net profit contribution of the net assets by German business amounted to NT$549,522 thousand and NT$17,363 thousand, respectively. The merger took place in January 1, 2014, and the management estimates the revenues and net profits of the Company would reach NT$28,151,169 thousand and NT$1,373,849 thousand, respectively. In determining such amount, the management assumed the acquisition would take place on January 1, 2014, and the temporary adjustment on the acquisition date should be the same as the fair value.

The consideration for the transfer of the Identifiable assets and liabilities assumed on the acquisition date are explained as follows:

1. Fair value of the consideration

The total prices Aleo Solar should pay has revised from the original agreed Euro 2 to Euro 1, and the amount was paid to the seller Aleo Solar AG。

2. Fair value of the identifiable assets obtained and liabilities assumed.

The fair value of identifiable assets and liabilities assumed for German company Aleo Solar AG on the acquisition date are detailed as follows:

Cash	$ 513,442
Inventories	240,225
Other financial assets – Current	62,085
Property, plant and equipment	259,988
Other financial assets – Noncurrent	62,085
Other assets	405
Other current and noncurrent liabilities	(1,138,230)
Fair value of identifiable assets	$ -

3. Acquisition-related costs

The transaction costs, such as external legal fees and auditing fee, incurred by the Company when acquiring Aleo Solar amounted to NT$2,858 thousand. Those expenses were recognized as “management expenses”

(IX) Changes on interests owned in the subsidiary

1. Additional shares obtained of the subsidiary

The Company’s interests in Sunrise Global has increased from 50.95% to 100% due to issuance of new shares in August 2014 to further acquire the shares. August 1, 2014 is used as base date of the consolidation. The Company is the surviving company and Sunrise Global is dissolved after the merger.

Impact on changes of Company’s interests attributed to the Company’s owner interest are as follows:

Carrying amount of non-controlling interests purchased	$ 2,163,471
Consideration paid to the non-controlling interests	(2,878,537)
Difference between the price to acquire the shares of subsidiary and the carrying amount of the shares.	(715,066)
To offset capital surplus – the difference between prices paid to acquire or dispose shares of subsidiary and the carrying value of these shares.	29,479
Amount of retained earnings offset	**$ (685,587)**

2. Disposing part of the subsidiary’s equity without losing control

The Company has disposed its equity shares in Gobalwafers of 1%,14% and1% in January, September and October, 2015 respectively, and the price for disposal were NT$271,505 thousand, NT$ 3,786,771 thousand and NT$165,552 thousand, respectively. The Companies had 1.68% and 2% equity in Globalwafers Co., Ltd. disposed of on June and October, 2014 for an amount of NT$239,625 thousand and NT$381,000 thousand, respectively.

The changes on Globalwafers has the following effects on owners interests of the Company:

	2015	2014
The consideration received from the non-controlling interests	$ 4,223,828	620,625
The carrying amount of the non-controlling interests disposed of	(2,457,803)	(467,394)
Capital surplus - the spread between the equity buying/selling price and carrying amount	**$ 1,766,025**	**153,231**

3. When the subsidiaries increased capital by cash injection, the Company did not subscribed in proportion to its interests in the subsidiaries but did not lose control over the subsidiaries.

Globalwafers, subsidiary of the Company, has increased its capital by cash in 2015 and all shares subscribed were non-controlling interests with total of NT$3,291,676 thousand. The parent company did not subscribe in proportion to its shares. The changes on interests in Globalwafers has the following effects on owner equity attributed to the parent company:

	2015
The increase in interests the parent company is entitled to after the issuance of new shares by the subsidiary.	$ 873,509
Capital surplus - From share of changes in interests of subsidiaries	**$ 873,509**

(X) Subsidiaries with significant non-controlling interest

Non-Controlling interests in the subsidiary that are significant to the parent company:

Name of subsidiary	Main business venue/ Countries which parent company registered	% of ownership interests under non-controlling interests as well as the voting rights 2015.12.31	2014.12.31
Globalwafers	Taiwan	33.30%	5.08%

Financial information of Globalwafers is summarized as follows. The financial information has been adjusted with amount included in the individual financial reports of affiliated prepared in accordance with IFRSs to reflect the difference between the adjustment made by the Company on the fair value upon obtaining the shares of the affiliated companies and the accounting policy. The amount presented in the financial information is before the elimination of the transactions between the Companies.

	2015.12.31	2014.12.31
Current Assets	$ 12,004,772	10,083,409
Non-Current Assets	11,810,988	11,301,354
Current Liabilities	(4,883,614)	(5,785,495)
Non-Current Liabilities	(2,207,549)	(2,398,454)
Net Assets	**$ 16,724,597**	**13,200,814**
Carrying amount of non-controlling interest at end of period	**$ 5,569,299**	**668,002**

		2015	2014
Operating Revenues	$	15,310,462	15,921,691
Net profit this period	$	2,044,193	2,095,432
Other comprehensive income		175,322	(291,304)
Total comprehensive income	$	2,219,515	1,804,128
Cash flow from operating activities	$	2,359,536	3,341,728
Cash flow from investing activities		(1,430,769)	(1,135,120)
Cash flow from financing activities		(72,527)	(976,730)
The Effects of Changes in Foreign Exchange Rates		120,342	(80,172)
Increase of cash and cash equivalent	$	976,582	1,149,706

(XI) Property, Plant and Equipment

1. Changes in the cost, depreciation and impairment loss of the Company's real estate property, plant and equipment are as follows:

		Land	Building	Machinery equipment	Other equipment	Construction in progress and quarantined equipment	Total
Cost:							
Balance – 1/1/2015	$	751,847	13,101,397	39,036,161	3,336,103	531,097	56,756,605
Additions		-	47,942	1,062,318	184,856	4,386,666	5,681,782
Disposal		-	(128,458)	(1,005,625)	(391,682)	-	(1,525,765)
Reclass		-	14,601	657,220	18,190	(699,857)	(9,846)
The Effects of Changes in Foreign Exchange Rates		18,420	302,926	860,235	18,047	24,775	1,224,403
Balance – 12/31/2015	$	770,267	13,338,408	40,610,309	3,165,514	4,242,681	62,127,179
Balance – 1/1/2014	$	751,839	13,428,661	40,421,689	3,475,240	193,015	58,270,444
Acquired through merger		51,493	51,281	149,112	7,573	529	259,988
Additions		-	106,419	832,498	128,798	318,059	1,385,774
Disposal		-	(42,891)	(746,611)	(72,173)	(22,408)	(884,083)
The Effects of Changes in Foreign Exchange Rates		(51,485)	(442,073)	(1,620,527)	(203,335)	41,902	(2,275,518)
Balance – 12/31/2014	$	751,847	13,101,397	39,036,161	3,336,103	531,097	56,756,605
Depreciation and impairment loss:							
Balance – 1/1/2015	$	-	6,590,303	33,176,843	1,745,898	-	41,513,044
Current depreciation		-	449,114	1,399,063	311,983	-	2,160,160
Disposal		-	(127,500)	(946,450)	(340,017)	-	(1,413,967)
Reclass		-	(603)	(2,921)	(6,322)	-	(9,846)
The Effects of Changes in Foreign Exchange Rates		-	177,172	780,282	15,610	-	973,064
Balance – 12/31/2015	$	-	7,088,486	34,406,817	1,727,152	-	43,222,455

Balance – 1/1/2014	$	-	6,427,741	34,106,308	1,638,549	-	42,172,598
Current depreciation		-	501,441	1,408,687	269,915	-	2,180,043
Disposal		-	(35,532)	(683,341)	(70,645)	-	(789,518)
The Effects of Changes in Foreign Exchange Rates		-	(303,347)	(1,654,811)	(91,921)	-	(2,050,079)
Balance – 12/31/2014	$	-	6,590,303	33,176,843	1,745,898	-	41,513,044
Carrying amount:							
December 31, 2015	$	770,267	6,249,922	6,203,492	1,438,362	4,242,681	18,904,724
January 1, 2014	$	751,839	7,000,920	6,315,381	1,836,691	193,015	16,097,846
December 31, 2014	$	751,847	6,511,094	5,859,318	1,590,205	531,097	15,243,561

2. Guarantees

Please refer to Note 8 for the guarantees of long-term loan as of December 31, 2015 and 2014 in details.

(XII) Intangible Assets

The costs and amortization of the Company's intangible assets for 2015 and 2014 are detailed as follows:

		Goodwill	Patent	Total
Costs				
Balance – 1/1/2015	$	676,453	19,761	696,214
The effect of changes in foreign exchange		25,113	-	25,113
Balance – 1/31/2015	$	701,566	19,761	721,327
Balance – 1/1/2014	$	637,019	19,761	656,780
The effect of changes in foreign exchange		39,434	-	39,434
Balance – 1/31/2014	$	676,453	19,761	696,214
Amortization and impairment loss				
Balance – 1/1/2015	$	-	1,976	1,976
Current amortization		-	17,785	17,785
Balance – 1/31/2015	$	-	19,761	19,761
Balance – 1/1/2014	$	-	-	-
Current amortization		-	1,976	1,976
Balance – 1/31/2014	$	-	1,976	1,976
Carrying amount:				
December 31, 2015	$	701,566	-	701,566
January 1, 2014	$	637,019	19,761	656,780
December 31, 2014	$	676,453	17,785	694,238

For the purpose of impairment test, goodwill is directly attributed to the semiconductor departed The Company conducts impairment test of the goodwill on the book at least once a year after the reporting date. The expected cash flow of the unit is used as basis to calculate recoverable amount.

Goodwill of the Company, after assess, has no indication of impairment.

The details of amortization of intangible assets for 2015 and 2014 listed under Statement comprehensive income are NT$17,785 thousands and 1,976 thousand.

As of December 31, 2015 and 2014, the Company’s intangible assets had not been provided as collateral.

(XIII) Other Assets – Current and noncurrent

	2015.12.31	2014.12.31
Deferred Income Tax assets	$ 539,600	627,551
Refundable Taxes and Excess Business Tax Paid	206,237	169,599
Prepayment for equipment	164,312	96,179
Other	527,817	344,399
	$ 1,437,966	1,237,728

(XIV) Other financing instrument – Current and Noncurrent

	2015.12.31	2014.12.31
Refundable deposits	$ 187,670	184,984
Restricted deposits	54,921	399,981
Other	35,887	43,824
	$ 278,478	628,789

Certificate of deposit – restricted and refundable deposits please refer to note 8.

(XV) Short-term Borrowings

	2015.12.31	2014.12.31
Unsecured bank loans	$ 2,610,081	2,062,895
Secured Bank Loan	-	756,473
	$ 2,610,081	2,819,368
The unutilized credit amount	$ 9,110,232	6,945,232
Loan interest rate interval at end of period	1.13%~2.33%	0.65%~1.97%

The currency for short term loan are NTD, USD, JPY and RMB respectively. For assets offered as collateral to the loans please refer to Note 8.

(XVI) Long-term Borrowings

Details, terms and conditions of the Company's long-term loan are as follows:

	2015.12.31			
	Currency	Interest rate interval at end of period	Contract period	Amount
Syndicated loan granted by the Taiwan Cooperative Bank	NTD	1.68%	2013.05.09~2018.05.09	$ 662,016
Taiwan Cooperative Bank	NTD	1.50%	2015.07.21~2018.07.21	300,000
CITIC Bank	NTD	1.45%	2015.10.31~2017.10.31	350,000
Bank of Taiwan	NTD	1.35%	2015.09.23~2018.09.23	300,000
JihSun Bank	NTD	1.45%	2015.10.15~2017.10.15	199,000
Taipei Fubon Bank	NTD	1.43%	2015.12.14~2017.12.14	100,000
EnTie Bank	NTD	1.35%	2015.06.11~2017.06.11	300,000
KGI Bank	NTD	1.37%	2015.02.17~2017.02.17	400,000
Total				$ 2,611,016
Current				$ 65,587
Non-current				2,545,519
Total				$ 2,611,106
The unutilized credit amount				$ 1,201,000

	2014.12.31			
	Currency	Interest rate interval at end of period	Contract period	Amount
Syndicated loan granted by the Taiwan Cooperative Bank	NTD	1.68%	2013.05.09~2018.05.09	$ 2,925,334
Taiwan Cooperative Bank	NTD	1.50%	2013.06.28~2016.06.28	400,000
CITIC Bank	NTD	1.55%	2014.10.31~2016.10.31	350,000
Mega Bank	NTD	1.50%	2014.07.06~2016.07.05	300,000
China Development Bank	NTD	1.40%	2014.02.25~2016.02.25	200,000
Taipei Fubon Bank	NTD	1.51%	2014.12.16~2016.12.16	300,000
Total				$ 4,475,334
Current				$ 666,667
Non-current				3,808,667
Total				$ 4,475,334
The unutilized credit amount				$ 700,000

On May 6, 2013, the Company entered into a syndicated credit facility agreements with the Corporate Bank and other five banks and obtained a credit line amounted to NT$4,000,000. According to the agreements, certain liquidity ratio, liability ratio, interest protection multiples should be maintained and verified on the audited consolidated financial statements of the year and on the reviewed consolidated financial statements of the second quarter.

If some of the Company's financial ratios fail to meet the requirements referred to above, an application for exemption should be filed with the banks according to the agreements with the non-conformity and root causes and the corrective action to be taken stated for the review of the syndicate banks. For any breach of contract confirmed, the banks may require repayment for the utilized loans.

According to the provisions of the agreements referred to above, if the actual credit amount used by the Company in the expected implementation date is less than the amount expected, the parent company is to have the commitment fee for the outstanding credit line calculated and paid in accordance with 0.1%~0.2% of the annual fee. As of December 31, 2015, the Company used the line of credit in pursuant to the estimated schedule so there is no need to pay commitment fee.

The financial reports of the Company for 2015 meet the financial ratio limits as required.

Please refer to Note 8 for the Company's assets pledged as collateral for bank loans.

(XVII) Finance lease liability

The Company had part of the real estate property, plant and equipment acquired through a financial lease with the finance lease liability payable booked in the "Other current liability" and "Other non-current liability" as follows:

	2015.12.31		
	Future minimum lease payment	**Interest**	**The present value of the minimum lease payment**
Within 1 year	$ 24,513	11,230	13,283
1~5 years	85,786	41,569	44,217
Over 5 years	301,234	57,413	243,821
	$ 411,533	**110,212**	**301,321**

	2014.12.31		
	Future minimum lease payment	**Interest**	**The present value of the minimum lease payment**
Within 1 year	$ 81,030	12,154	68,876
1~5 years	90,852	43,422	47,430
Over 5 years	320,726	67,209	253,517
	$ 492,608	**122,785**	**369,823**

The Company consolidated the financial lease liability undertaken by Sunrise Global on August 1, 2014. which is a contract signed with the Industry Bureau of MOEA in October 2007 to lease its land in the industrial section in Li-Ze Industrial zone. It is agreed that upon the expiry of the lease contract he parent company may purchase the land at the market price when signing the contract and the lease payments paid during the lease terms can be converted as the consideration for purchase the land.

(XVIII) Reserve

1. Liability reserve

	Restoring the plant site	Onerous contract	Total
Balance – 1/1/2015	$ 27,641	1,727,042	1,754,683
Reserve newly added (reversed) current period	584	(445,878)	(445,294)
The Effects of Changes in Foreign Exchange Rates	869	23,146	24,015
Balance – 12/31/2015	**$ 29,094**	**1,304,310**	**1,333,404**
Current	$ -	588,585	588,585
Noncurrent	29,094	715,725	744,819
Total	**$ 29,094**	**1,304,310**	**1,333,404**
Balance – 1/1/2014	$ 29,038	2,284,767	2,313,805
Reserve newly added (reversed) current period	626	(474,976)	(474,350)
The Effects of Changes in Foreign Exchange Rates	(2,023)	(82,749)	(84,772)
Balance – 12/31/2014	**$ 27,641**	**1,727,042**	**1,754,683**
Current	$ -	608,268	608,268
Noncurrent	27,641	1,118,774	1,146,415
Total	**$ 27,641**	**1,727,042**	**1,754,683**

(1) Restoring the plant site

Restoring the plant site is based on the lease contract that the Company is obligated to restore the plant site should it decides not to renew the lease contract when it expires. The Company had estimated the liability reserve per the actual condition.

(2) Onerous contract

The onerous contract appropriated by the parent company was for the long-term silicone material supply contract signed with the supplier. The parties to the contract have agreed to have the supply volume and price fulfilled completely from January 1, 2006 to December 31, 2019. The Company is to pre-pay the suppliers for the materials to be purchased and the payment can be made by installments but are non-refundable and the transaction is irrevocable. The materials supplier guarantees to have the agreed quantities of silicon materials supplied to the parent company. In response to the current market price volatility, the Company has the contractual price re-negotiated with some silicon suppliers or negotiated for the current purchase price in accordance with market conditions in order to adjust the average purchase price. However, the long-term purchase of the raw materials contract price adjustment is still under negotiations with some of the suppliers; therefore, the parent company has the relevant liability reserve appropriated. Please refer to Note 9 for the notice of the silicone suppliers requesting the parent company to perform the contract

(XIX) Operating Lease

1. Lease of lessee

The rent payment of the irrevocable operating leases is as follows:

	2015.12.31	2014.12.31
Within 1 year	$ 133,663	116,345
1~5 years	504,055	451,718
Over 5 years	333,607	264,960
	$ 971,325	833,023

The operating lease expense reported in profit or loss are 145,906 thousand and 118,089 thousand in 2015 and 2014, respectively.

The land, building and equipments for plants in Japan's Kurofuchi, Hadano, Takuyama are leased from the Japanese companies including Covalent Materials Corporation. The lease term for land and buildings are from November 30, 2011 to December 31, 2035 with annual rent amounted to a total of NT$ 30,155 thousand.

The base of the Company's plant located in Hsinchu Science Park is rented from the Administration of the Science Park for a period from October 1, 2000 to December 31, 2020 for a total of 20 years. According to the contract signed, the rent is to be adjusted in accordance with the adjustments of the land price announced by the government and for an annual rent of NT$2,747 thousand.

The base of the Company's plant located in Chunan Science Park is rented from the Administration of the Science Park for a period from March 17, 2005 to December 31, 2027. According to the contract signed, the rent is to be adjusted in accordance with the adjustments of the land price announced by the government and for an annual rent of NT$7,750 thousand.

In order to expand production capacity, the Company has leased land and building from other related parties for such use. The lease term starts from July 2015 and ends in July, 2025 for a total of 10 years. Pursuant to the lease term, the rent is reviewed every two years. The rent payment is around NT$1,890 thousand per month.

2. Prepaid Rent – Long Term

The Company has leased the right to use the land per an operating lease with lease term of 50 years and rental payment paid off at once. The expenses recognized in profit or loss in 2015 and 2014 are NT$246 thousand and NT$241 thousand respectively. As of December 31, 2015 and 2014, the balance not yet amortized amounted to NT$9,152 thousand and NT$9,579 thousand respectively.

(XX) Employee Benefit

1. Defined benefit plan

The present value of the Company's defined benefit obligations and fair value of the plan assets are adjusted as follows:

		2015.12.31	2014.12.31
The total present value of defined benefit obligations	$	(1,159,079)	(1,032,372)
The fair value of plan assets		30,469	27,393
The net defined benefit liabilities	$	(1,128,610)	(1,004,979)

The Company's defined benefit plans are appropriated to the labor pension reserve account at the Bank of Taiwan. The pension payment to each employee under the Labor Standards Act is calculated in accordance with the service points received for the years of service and the average salary six months prior to retirement.

(1) Plan assets composition

The pension fund appropriated by the Company in accordance with the Labor Standards Act is managed collectively by the Bureau of Labor Funds, Ministry of Labor (hereinafter referred to as the "Bureau of Labor Funds"). According to the "Rules Governing the Income and Expense Safekeeping and Utilization of Labor Pension Fund," the minimum earnings of the fund shall not be less than the earnings calculated at the two-year time deposit interest rate of the local bank.

The Company's pension reserve account at the Bank of Taiwan amounted to 30,469 thousand on December 31, 2015. The Labor Pension Fund asset implementation information includes fund returns rate and fund asset allocation. Please refer to the information published on the website of the Ministry of the Bureau of Labor Funds, Ministry of Labor.

(2) Changes in the present value of the defined benefit obligation

Changes in the present value of the Company's defined benefit obligations in 2015 and 2014 are as follows:

		2015	2014
Defined benefit obligations – 1/1	$	1,032,372	959,291
Current service cost and interest		86,557	69,655
Remeasurement of net defined liabilities			
- The expected return of plan assets (excluding interest of current period)		(11,209)	10,034
- Actuarial gains and losses arising from changes of demographic assumptions		5,397	417
- Actuarial gains and losses arising from changes of financial assumptions		38,885	83,885
Defined benefit obligations		(24,102)	(22,523)
The Effects of Changes in Foreign Exchange Rates		31,179	(68,387)
Defined benefit obligations – 12/31	$	1,159,079	1,032,372

(3) Changes in the fair value of plan assets

Changes in the fair value of the Company's defined benefit plan assets in 2015 and 2014 are as follows:

		2015	2014
Fair value of the plan assets on January 1	$	27,393	30,975
Interest income		463	595
Remeasurement of net defined liabilities			
- The expected return of plan assets (excluding interest of current period)		309	97
The expected return of plan assets		2,304	2,219
Defined benefit obligations		-	(6,493)
Fair value of the plan assets on December 31	**$**	**30,469**	**27,393**

(4) Change of limit on a defined benefit assets

The Company has no change of limit on a defined benefit plan in 2015 and 2014.

(5) The expenses recognized in the profit or loss

The expenses recognized as income or loss in 2015 and 2014 are as follows:

		2015	2014
Current service cost	$	78,115	56,659
Net interests of net defined benefit liabilities		7,979	12,401
	$	**86,094**	**69,060**
Operating Costs	$	65,765	53,560
Marketing expense		3,479	2,683
General and administrative expenses		7,933	5,342
R&D expense		8,917	7,475
	$	**86,094**	**69,060**

(6) Remeasurement of net liabilities under defined benefit plan recognized as other comprehensive income

The remeasurment of net defined benefit liability accumulated and recognized under the comprehensive income for 2015 and 2014 are as follows:

		2015	2014
Accumulated balance – 1/1	$	(132,290)	(38,051)
Recognized in the current period		(32,764)	(91,868)
The Effects of Changes in Foreign Exchange Rates		3,580	(2,371)
Accumulated balance – 12/31	**$**	**(161,474)**	**(132,290)**

(7) Actuarial assumptions

The significant actuarial assumptions used by the Company to determine the present value of defined benefit obligation on the last day of financial reporting are as follows:

	2015.12.31	2014.12.31
Discount rate	0.44%~1.375%	0.35%~1.625%
Future salary increases	1.40%~7.00%	1.00%~2.50%

Except to comply as required by the Labor standards Act to appropriate the monthly provision of pension reserve, the Company also comply with Article 56-2 of the newly amended Labor Standards Act to estimate the amount in its labor retirement reserve special account for any insufficient amount for payment of pension to laborers meeting the retirement criteria as specified in the Labor standards Act in the subsequent one year. The parent company should appropriate the difference before the end of March of the following year. The amount estimated to be appropriated within one year after the reporting date of 2015 for the payment of defined benefit plan amounted to NT$ 83,135 thousand.

The weighted average duration of defined benefit plan is 9.6~18.7 year.

(8) Sensitivity analysis

When calculating the present value of defined benefit obligations, the Company must use judgment and estimates to determine the related actuarial assumptions at the balance sheet date, including employee turnover rate and future changes in salaries. Any change in the actuarial assumptions is likely to materially affect the amount of the Company's defined benefit obligations.

The impact of changes on major actuarial assumptions to the present value of defined benefit obligations is as follows:

	The impact to the defined benefit obligations	
	Increased by 0.25%	Decreased by 0.25%
December 31, 2015		
Discount rate	$ (35,957)	37,737
Future salary increases	30,362	(29,042)

The above sensitivity analysis is to analyze the impact of one single assumption with other assumptions remaining unchanged. In practice the changes of many assumptions may be correlated. The approach used for sensitivity analysis is consistent with the calculation of net pension liabilities recorded in the balance sheet.

The approach and assumptions used to compile the sensitivity analysis is the same with that of the previous period.

2. Defined Contribution Plan

The Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. According to the defined contribution plan, the parent company, after appropriating a fixed amount to the Bureau of Labor Insurance, Ministry of Labor is free from any legal or constructive obligations of making extra payments.

The Company's pension expense under the defined contribution plan was 48,882 thousand and 42,416 thousand in 2015 and 2014, respectively; also, the amount had been appropriated to the Bureau of Labor Insurance, Ministry of Labor.

Among foreign companies of the Company, except for SSTI, GSI, GWI, GWafers, AMLED and SAS Sunrise Inc. that do not have pension liabilities as they do not employ anyone, for GTI, Aleo Solar, Aleo Solar Distribuzione Italia S.r.l, Aleo Sunrise, SAS Sunrise Pte Ltd., SPV and KunShan Sino that adopt defined benefit plans, all have pension appropriated and recognized in current period as current expenses.

Pension expense of the Company's foreign companies recognized amounted to 18,509 thousand and 15,774 thousand in 2015 and 2014, respectively.

(XXI) Income Taxes

According to Article 40 of the Enterprises Business combinations and Acquisitions Act, the parent company and Globalwafers Co., Ltd. have the profit-seeking enterprise income tax return filed in accordance with the Consolidated Tax Return System since the year 2012. The Parent company is the taxpayer to have the tax return of the parent company and Globalwafers Co., Ltd. filed together in accordance with the relevant provisions of the Income Tax Act, including an additional 10% profit-seeking enterprise income tax for the unappropriated earnings. The other tax-related matters are to be handled separately by each company.

The Parent company and Globalwafers Co., Ltd. have income tax return firstly filed separately in accordance with IAS 12 "Income Tax." After having the difference related to the joint income tax return adjusted and consolidated, it is amortized to each company in the joint tax return filing through a reasonable, systematic and consistent method. The income tax and deferred income tax expense after amortization is expressed in the financial statements.

The parent company has sold stocks of Globalwafers in batches since 2015 making its shares less than 90% of Globalwafers. The changes of equity ownership disqualified the parent company to file consolidated tax returns. Starting 2015, the parent company and Globalwafers should file each own income tax return respectively.

1. Income tax expenses

The Company's income tax expense (profit) in 2015 and 2014 is as follows:

	2015	2014
Income tax expenses current period	$ 735,052	75,931
Deferred income tax expenses	168,727	549,844
	$ 903,779	**625,775**

The Company's income tax expense (profit) recognized in other comprehensive income and loss in 2015 and 2014 is as follows:

	2015	2014
Item not reclassified to income or loss		
Remeasurement of defined benefit plan	$ (10,574)	(38,584)
Item that may be reclassified to income and loss		
Foreign exchange differences from foreign operation	68,417	(51,633)
Unrealized loss from valuation of financial assets available for sales	(59,796)	-
	8,621	(51,633)
	$ (1,953)	**(90,217)**

The Company's income tax expense (profit) and net income before tax in 2015 and 2014 is adjusted as follows:

	2015	2014
Net income before tax	$ 1,960,181	1,925,042
The income tax is calculated in accordance with the domestic income tax rate where the parent company is located.	333,231	327,257
The effect of difference in tax rates in foreign territories	474,030	602,557
Permanent differences adjustment	(55,003)	(246,648)
Tax exempt income	-	(15,300)
The underestimation and overestimation of the prior period and unrecognized temporary difference	55,962	(71,258)
Tax amount under the Basic Income Tax	120,000	-
Surcharge on undistributed earnings 10%	-	3,209
Investment tax credits	(24,441)	25,958
	$ 903,779	625,775

2. Deferred income tax assets and liabilities

(1) Deferred liabilities not recognized by the Company

As the time to reverse temporary difference of 2015 and 2014 related to the investees are controlled by the Company, and the difference is confirmed not to be reversed in the foreseeable future, no deferred income tax liability is recognized. Relevant amounts are as follows:

	2015.12.31	2014.12.31
Temporary differences related to the investees are summarized as follows	$ (46,179)	(40,516)

(2) Items not recognized as deferred income tax assets by the parent company are as follows:

	2015.12.31	2014.12.31
Deductible temporary differences	$ 623,982	590,986
Investment tax credits	445,857	445,857
Loss carryforwards	198,993	293,727
	$ 1,268,832	1,330,570

According to the Income Tax Act, tax losses of the last ten years audited and authorized by the tax authorities can be deducted from the net income of the year before levying the income tax. Such items are not recognized as deferred tax assets as the Company is not likely to have sufficient taxable income in the future for use of temporary differences.

As of December 31, 2015, for taxable loss on deferred income tax net yet recognized by the parent company, the deadline for the deduction of the parent company's tax losses are as follows:

Annual losses	Loss to be deducted	Deadline for deduction
2012	$ 1,137,473	2022

As of December 31, 2015, for taxable loss on deferred income tax not yet recognized by the subsidiary Sino-American Materials, the deadline for the deduction of the parent company's tax losses are as follows:

Annual losses	Loss to be deducted	The final year for tax deduction:
2014	$ 11,211	2024
2015	21,865	2025
	$ 33,076	

(2) Recognized deferred income tax assets and liabilities

Deferred income tax assets and liabilities are detailed as follows:

	2015.1.1	Recognized in the income statement	Recognized in other comprehensive income statement	Effect of foreign exchange	2015.12.31
Assets:					
Inventories	$ 38,533	6,130	-	-	44,663
Loss deduction	198,097	(128,901)	-	-	69,196
Exchange Differences on translation of financial Statements of foreign operations	300,534	-	(68,417)	-	232,117
Unrealized loss from valuation of financial assets available for sales	-	-	59,796	-	59,796
Other	90,387	33,425	8,310	1,706	133,828
	$ 627,551	(89,346)	(311)	1,706	539,600
Liabilities					
Investment accounted for using equity method	$ (346,528)	(102,603)	2,264	-	(446,867)
Property, plant and equipment	(287,363)	11,388	-	(9,637)	(285,612)
Other	(14,221)	11,834	-	-	(2,387)
	$ (648,112)	(79,381)	2,264	(9,637)	(734,866)

	103.1.1	Recognized in the income statement	Recognized in other comprehensive income statement	Effect of foreign exchange	2014.12.31
Assets:					
Inventories	$ 37,713	820	-	-	38,533
Investment tax credits	62,681	(62,681)	-	-	-
Loss deduction	438,771	(232,987)	-	(7,687)	198,097
Other	368,910	(51,179)	73,314	(124)	390,921
	$ 908,075	(346,027)	73,314	(7,811)	627,551

	2014.1.1	Recognized in the income statement	Recognized in other comprehensive income statement	Effect of foreign exchange	2014.12.31
Liabilities					
Financial Instruments	$ (1,491)	1,491	-	-	-
Investment accounted for using equity method	(216,377)	(139,832)	9,681	-	(346,528)
Property, plant and equipment	(222,845)	(61,712)	-	(2,806)	(287,363)
Other	(2,834)	(3,764)	7,222	(14,845)	(14,221)
	$ (443,547)	(203,817)	16,903	(17,651)	(648,112)

3. Audited and approved income tax return filed

As of December 31, 2015, income tax returns filed by the parent company and Globalwafers have been audited and approved by the tax authorities up to 2013. Tax returns filed by Sunrise Global Solar. For period from January 1 to July 31, 2014 have been audited and approved by the tax authorities. The tax returns of Sino-American Materials have not been audited and approved by the tax authorities yet.

4. The parent company's income tax integration is as follows:

	2015.12.31	2014.12.31
The attributable year of unappropriated earnings:		
After 1998	$ 519,512	392,191
Tax credit account balance	$ -	83,760

	2015 (Estimated)	2014 (Actual)
ROC resident's tax credit ratio for earnings distribution	16.54%	-

The income tax integration amount referred to above was processed in accordance with the Tai.Chai.Shay No. 10204562810 Letter dated October 17, 2014 of the Ministry of Finance. Pursuant to Article 66-6 of the Income Tax Act, the ROC resident's tax credit ratio is reduced in half, and applicable for earning distribution starting from January 1, 2015.

(XXII) Capital and other interests

The parent company's authorized capital amounted to NT$8,000,000 thousand with 800,000 thousand shares issued at NT$10 par on December 31, 2015 and 2014, respectively, (All including employee stock warrants, preferred stock with stock option or corporate bonds with stock option, and NT$200,000 thousand worth of stock shares available for subscription). The legal registration procedure for the authorized capital stock is completed. The paid in capitals are both NT$5,800,312 thousand.

The parent company's outstanding stock shares in 2015 and 2014 were adjusted as follows (expressed in thousand shares):

	Common stock	
	2015	**2014**
Beginning outstanding shares – 1/1	580,031	523,119
New shares issued for merger	-	56,888
Employees exercising stock options	-	24
Buy back treasury stock	(5,555)	-
Ending outstanding shares – 12/31	**574,476**	**580,031**

1. Issuance of common stock

The parent company participated in the global depositary receipts for NT$610,000 thousand with cash capital increase and with 61,000 thousand shares issued, of which listed at the Luxembourg Stock Exchange on September 9, 2010 with a total of 61,000 thousand units of GDR issued at an issuance price of US$2.9048; also, the GDR amounted to US$177,193 thousand and each GDR underlying 1 common stock share of the parent company. Such cash capital increase had already been approved by the Financial Supervisory Commission on August 13, 2010 with the FSC.certificate.far.tzi No. 0990041383 Letter issued. For such cash capital increase, the parent company had sufficient stock shares issued and proceeds from subscription collected on September 9, 2010 amounted to US$177,193 thousand andUS$174,931 thousand net of the underwriting fees of US$2,262 thousand, equivalent to NT$5,580,288 thousand after translation per the closing exchange rate of the trading day. The amount, after net of the related issuance cost of NT$11,531 thousand, the premium of NT$4,958,757 thousand was booked in the "additional paid-in capital" account.

The parent company had 24 thousand shares issued for stock option warrant exercised by employees in 2014. The legal registration procedure was completed as of December 31, 2014.

The parent company had additionally issued 56,888 thousand common shares for merging Sunrise Global on August 1, 2014 and the legal registration procedure was completed as of December 31, 2014.

2. Additional paid-in capital

The additional paid-in capital balance of the parent company is as follows:

	2015.12.31	**2014.12.31**
Premium on the common share stock	$ 15,234,589	16,278,647
Difference between the disposal price and carrying value of the subsidiary's equity	1,889,777	123,752
Capital surplus of long-term equity investment is recognized under the equity method	1,090,919	206,007
Treasury stock transactions	31,765	31,765
Employee stock options, etc.	367,641	355,338
	$ 18,614,691	**16,995,509**

According to the Company Act amended in January 2012, capital surplus is for making up losses first before using the capital surplus realized to distribute cash or new shares to shareholders in proportion to their original shareholding ratio. The capital surplus realized referred above includes the stock premium and bestowed income. According to the Criteria Governing the Offering and Issuance of Securities by Issuers, the total amount of capital surplus for capitalization every year may not exceed 10% of the paid-in capital.

A decision was resolved in the parent company's shareholders' meeting on June 25, 2015 and June 26, 2014 to distribute NT$1,044,058 thousand (NT$1.8 per share) and 523,142 thousand (NT$1 per share) in cash with the additional paid-in capital in 2014 and 2013 respectively. Please visit the MOPS for the related information.

A proposal was made by the board of directors of parent company on March 22, 2016 to distribute cash dividends of NT$0.7 per share. The above distribution out of additional paid in capital is waiting to be resolved by the shareholders' meeting of the parent company. After this proposal is resolved by relevant meeting of parent company please visit the MOPS for the related information.

3. Legal reserve

According to the Company Act amended in January 2012, the parent company is to appropriate 10% of net income as legal reserve until it is equivalent to the total capital amount. If there is no net loss, the company may have stock dividends or cash dividends distributed with legal reserve based on the resolution reached in the shareholder's meeting, but limited to the legal reserve amount exceeding 25% of the paid-in capital.

4. Special reserve

When the parent company adopted the international financial reporting standards (IFRSs) approved by the FSC for the first time, the parent company had chosen to apply IFRS 1 "First-time Adoption of the IFRSs" exemptions, retained earnings was increased by NT$161,317 thousand due to the accumulated conversion adjustment (profit) under the shareholders' equity, which exceeding the net increase of NT$102,349 thousand in retained earnings on the conversion date for the first-time adoption of IFRSs approved by the FSC. According to the FSC Certificate Far.Tzi No. 1010012865 Order of the Financial Supervisory Commission dated April 6, 2012, special reserve is appropriated for the net increase in retained earnings due to the conversion to the IFRSs approved by the FSC; also, it could be reversed for earnings distribution proportionately to the originally appropriated special reserve while using, disposing or reclassifying the related assets. The special reserve balance amounted to NT$102,349 thousand as of December 31, 2015 and 2014, respectively.

According to the Order referred to above, while distributing the distributable earnings, the parent company had additional special reserve appropriated from the current profit or loss and unappropriated earnings of the prior period for the difference between the net amount debited to other shareholder's equity and the balance of the special reserve appropriated in the preceding paragraph. For the amount debited to other shareholders' equity attributable to prior period accumulation, the special reserve was appropriated from the unappropriated earnings of the prior period and could not be distributed. The amount debited to the shareholders' equity reversed subsequently can be distributed as earnings.

5. Earnings distributions and dividend policy

In accordance with the parent company's Articles of Incorporation amended on June 26, 2014, if there is any earning after the close of book of the parent company, the current year's earnings must be distributed in the following order:

(1) Make up losses.
(2) Appropriate 10% legal reserve. Unless the cumulative legal reserve is equivalent to the parent company's total capital stock.
(3) Appropriate or reverse the special reserve in accordance with the law or regulations or the requirements of the competent authorities;
(4) For any remaining balance of the current earnings after deducting the amount in paragraph (1) ~ (3), appropriate not more than 3% of the remaining amount as remuneration to directors and minimum 5% of the remaining amount as employee bonus and the remaining amount thereafter plus undistributed earnings of previous years to be distributed in accordance with the earnings distribution proposed by the board of directors and resolved in the shareholders' meeting.

For the sustainable operation and development and the stable growth of earnings per share, the parent company has the shareholder dividend distribution ratio determined with more than 50% cash dividends distributed. If the employee bonus is distributed with stock shares issued, the employees of the parent company's subsidiary who have met the specific conditions that are stipulated by the authorized Chairman are entitled to such stock dividend distribution.

The distributable earnings from the net income by the parent company as of 2014 after deducting the 10% legal reserve and special reserve were NT$0; therefore, no need to estimate the amount of employee bonus and remuneration to directors.

The 2014 and 2013 earnings distributions of the parent company were resolved by the parent company's Board of Directors on June 25, 2015 and June 26, 2014 respectively. The dividend distributed per share, employee bonus and remuneration to the directors are all 0 thousand. The earnings actually distributed in 2014 and 2013 mentioned above are no different from those recognized in the financial reports of the consolidated companies.

In accordance with the Company Act amended in May 2015, the remuneration to employees and directors are no longer the distribution items of retained earnings. The parent company shall amend the article of incorporation as required before the deadline set for by the authority in charge.

The 2015 earnings distribution was proposed by the parent company's Board of Directors on March 22, 2016 for a dividend of NT$0.8/share to be distributed with the additional paid-in capital. Such earnings distribution is yet to be resolved in the shareholders' meeting. The relevant information can be obtained from the MOPS after the resolutions reached in the meetings.

6. Treasury stock

The parent company exercises treasury stock system to buy back stock shares from TPEx. The changes in treasury stock are illustrated by the reasons for buy back as follows:

Unit: Thousand shares

	2015			
Reasons for buy back	**Beginning shareholdings**	**Increase of the year**	**Decrease of the year**	**Ending shareholdings**
Transferred to employee	-	5,555	-	5,555

According to the Securities Exchange Act, the repurchased shares and percentage shall not exceed 10% of the outstanding shares; the total amount of treasury stock shall not exceed the lump sum of the retained earnings, stock premium and capital surplus realized. According to the Securities and Exchange Act, the parent company's treasury stock may not be pledged and is not entitled to the rights of shareholders before transfer.

7. Other equity (after tax)

	Exchange difference arising from the conversion of a foreign institution's financial statements	Investments available-for-sale	Other	Total
January 1, 2015	$ (1,669,610)	(993,913)	(6,989)	(2,670,512)
Exchange difference arising from conversion of a foreign institution's net assets	22,025	-	-	22,025
Exchange difference of the subsidiaries and affiliated companies accounted for using equity method	187,515	-	-	187,515
Available-for-sale financial assets unrealized gains and losses	-	(18,507)	-	(18,507)
The unrealized gains or loss of the financial assets available-for-sale of the affiliated companies under the equity method	-	(75,071)	-	(75,071)
The un-earned remuneration of the employees of the affiliated companies under the equity method	-	-	3,722	3,722
Balance – 12/31/2015	$ (1,460,070)	(1,087,491)	(3,267)	(2,550,828)
January 1, 2014	$ (1,489,219)	(802,589)	-	(2,291,808)
Exchange difference arising from conversion of a foreign institution's net assets	39,591	-	-	39,591
Exchange difference of the subsidiaries and affiliated companies accounted for using equity method	(211,776)	-	-	(211,776)
Available-for-sale financial assets unrealized gains and losses	-	(196,282)	-	(196,282)
The unrealized gains or loss of the financial assets available-for-sale of the affiliated companies under the equity method	-	4,958	-	4,958
The un-earned remuneration of the employees of the affiliated companies under the equity method	-	-	(6,989)	(6,989)
New shares issued for merger	(8,206)	-	-	(8,206)
Balance – 12/31/2014	$ (1,669,610)	(993,913)	(6,989)	(2,670,512)

(XXIII) Share-based payment

1. Employee stock warrants

It was resolved in the board meeting by the parent company in June 2010 to have the 1st employee stock warrant issued for 10,000,000 units in 2010, which was declared and became effective on November 12, 2010 and issued on August 10, 2011. One unit of stock warrant can subscribe to one common share of the parent company for a 6-year duration. Employees may exercise the stock option for the cumulative ratio of 40%, 60%, 80% and 100% after 2-year, 3-year, 4-year, and 5-year, respectively, from the date the stock option was awarded.

The Company's employee stock warrant awarded as of December 31, 2015 is as follows:

Type	The effective date of declaration	Awarded date	Vested period	Vested unit (Thousand units)	Subscription unit price (NT$)	Market price per unit on the measurement date (NT$)	Adjusted performance price (NT$)
The first employee stock options in 2010	2010.11.12	2011.8.10	Service period 2~4 years	10,000	60.50	60.50	52.40

The remuneration cost of the Company's 2015 and 2014 compensating employee stock option plan amounted to NT$15,620 thousand and NT$28,814 thousand, respectively. The fair value of the stock option awarded to employees on August 10, 2011 was estimated in accordance with Black-Scholes stock option valuation model and with the weighted average information of assumptions illustrated as follows:

Dividend rate	3.6%
Expected price volatility	48.065%
Risk-free interest rate	1.2905%
Expected duration	6 years

The volume and weighted average price of the Company's employee stock warrant in 2015 and 2014 are disclosed as follows:

	2015		2014	
Employee stock options	**Quantity (thousand shares)**	**Adjusted weighted average price (NT$)**	**Quantity (thousand shares)**	**Adjusted weighted average price (NT$)**
Outstanding shares – beginning	8,711	$ 55.10	9,135	57.40
Exercised this period	-	-	(24)	56.10
Confiscated in current period (number of failures)	(95)	52.40	(400)	55.10
Outstanding shares - end of period	8,616	52.40	8,711	55.10
Exercisable employee stock options - end of period	6,893	52.40	5,227	55.10
The average fair market value per share (NT$) of the employee stock options	$ 23.36		23.36	

The weighted average residual duration of the outstanding employee stock options on December 31, 2015 and 2014 was for 0.66 years and 1.66 years, respectively.

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total

(XXIV) Earnings per share

1. Basic earnings per share

	2015	2014
Net income attributable to the owner of the parent company	$ 534,837	1,128,445
Weighted average number of outstanding common stock (shares in thousands) - Beginning	580,031	523,119
Impact of issuance of new stocks with capital increase		23,725
Impact of treasure stocks	(1,852)	-
Weighted average number of outstanding common stock (shares in thousands) - End of period	578,179	546,844
Basic earnings per share (NT$)	$ 0.93	2.06

2. Diluted earnings per share

	2015
Net income attributable to the owner of the parent company	$ 534,837
Weighted average number of outstanding common stock (shares in thousands)	578,179
Employee renumeration in current year not yet resolved by shareholders' meeting that may be paid by issuing stocks	1,299
	579,478
Diluted earnings per share	$ 0.92

The 2014 employee stock options had no diluting effect; therefore, the diluted earnings per share would not be disclosed.

(XXV) Revenues

	2015	2014
Sales of goods	$ 27,699,274	27,807,627
Labor service provided	196	13,829
Processing revenue	569,887	-
	$ 28,269,357	27,821,456

(XXVI) Renumeration to employees and directors

In pursuant to the Article of Incorporation not yet resolved by the parent company's board of director, if there is any earnings, 3% ~5% should be appropriated as remuneration to employee, and distributed in stock or cash as resolved by the board of directors to employees including those meeting certain requirement. No more than 3% of the above mentioned earnings can be

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total

appropriated as remuneration to directors. The distribution of remuneration of employees and directors should be submitted and reported to the shareholders' meeting. In case the parent company has cumulative losses, it should reserve amount to make up losses before distributing remuneration to the employees and directors in pursuant to the percentage mentioned in the preceding paragraph.

The estimated remuneration to employees and directors of the parent company amounted to 58,372 thousand and 11,000 thousand for 2015 respectively. They are calculated using the net income before tax and deduction of the above remunerations in the said period multiplied by the percentage designated by the parent company's article of incorporation regarding distribution of remuneration to employee and directors. This is reported as operating costs or expenses for 2015. Any difference between the amount actually distributed and the estimated amount shall be handled as changes of accounting estimates, and recognized as profit and loss of 2016.

(XXVII) Other income

	2015	2014
Interest income	$ 44,949	49,066
Dividend income	15,740	11,711
	$ 60,689	60,777

(XXVIII) Other gain and loss

	2015	2014
Foreign currency exchange gains and losses	$ 79,225	460,086
Net Loss from financial assets measured at fair value through profit or loss	(275)	(8,748)
Impairment loss	(57,826)	-
Government Grants	41,855	21,229
Other	70,997	79,328
	$ 133,976	551,895

(XXIX) Financial Costs

	2015	2014
Interest expenses		
Bank loans	$ 62,613	120,653
Lease payable	14,269	13,716
	$ 76,882	134,369

(XXX) Share of other comprehensive income from the subsidiaries and affiliated companies accounted for using equity method.

The Company's share of other comprehensive income from the subsidiaries and affiliated companies accounted for using equity method in 2015 and 2014 are detailed as follows:

	2015	2014

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Exchange difference arising from conversion of a foreign operation's financial statements		$	(8,537)		22,576
Unrealized gains or losses on valuation of financial assets available for sales			2,302		4,958
		$	(6,235)		27,534

(XXXI) Financial Instrument

1. Credit Risk

(1) Credit risk exposure

The carrying amount of financial assets represents the maximum credit risk exposure amount.

(2) Concentration of credit risk

The Company's material clients are in the silicon wafer industry. The parent company assigns a credit line to each customer in accordance with the credit procedures; therefore, the Company's credit risk is mainly affected by the silicon wafer industry. As of December 31, 2015 and 2014, 56% and 47%, respectively, of the Company's notes and accounts receivable (including related party) were attributable to the top-10 customers. Although there was the risk of concentration, the parent company had regularly assessed the likelihood of the recovery of receivables and with appropriate allowance for bad debts appropriated.

2. Liquidity Risk

The contract maturities of financial liabilities are illustrated in the following table, including estimated interest but excluding the impact of the agreed net amount.

	Carrying Amount	Contractual cash flows	Within 6 months	6~12 months	1-2 years	2-5 years	Over 5 years
December 31, 2015							
Non-derivative financial liabilities							
Short-term loans	$ 2,610,081	(2,640,461)	(770,025)	(1,870,436)	-	-	-
Notes and accounts payable (including related party)	2,932,029	(2,932,029)	(2,932,029)	-	-	-	-
Long-term loans (including long-term loan due in one year)	2,611,106	(2,745,679)	(66,139)	-	(1,387,077)	(1,292,463)	-
Finance lease liabilities	301,321	(411,533)	(12,251)	(12,262)	(24,256)	(61,530)	(301,234)
	$ 8,454,537	(8,729,702)	(3,780,444)	(1,882,698)	6,578,668	(6,889,810)	(301,234)
December 31, 2014							
Non-derivative financial liabilities							
Short-term loans	2,819,368	(2,846,917)	(1,217,680)	(1,639,237)	-	-	-
Notes and accounts payable (including	2,712,748	(2,712,748)	(2,712,748)	-	-	-	-

			2015.12.31				
				Fair value			
			Carrying Amount	Level I	Level II	Level III	Total
related party)							
Long-term loans (including long-term loan due in one year)	4,475,334	(4,656,486)	(336,140)	(338,947)	(2,975,473)	(1,005,926)	-
Finance lease liabilities	369,823	(491,905)	(40,295)	(40,393)	(24,395)	(66,096)	(320,726)
	$ 10,377,273	(10,708,056)	(4,306,863)	(2,018,577)	7,140,362	(7,455,798)	(320,726)

The Company does not expect the cash flow analysis on maturity dates to occur significantly ahead of the schedule or the actual amount significantly different than expected.

4. Exchange rate risk

(1) Exchange rate risk exposure

The Company's is financial assets and liabilities exposed to significant foreign exchange rate risk are as follows:

	2015.12.31		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items			
USD	$ 150,250	32.825	4,931,956
JPY	115,254	0.2727	31,430
EUR	2,494	35.880	89,484
RMB	46,701	4.995	233,272
Financial liabilities			
Monetary items			
USD	59,748	32.825	1,961,228
JPY	116,666	0.2727	31,815
EUR	3,378	35.880	121,203

	2014.12.31		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items			
USD	$ 229,977	31.650	7,278,772
JPY	336,268	0.2646	88,977
EUR	2,796	38.470	107,562
RMB	138,192	5.092	703,674
Financial liabilities			

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Monetary items					
USD		30,879		31.650	977,320
JPY		152,820		0.2646	40,436
EUR		1,128		38.470	43,394

(2) Sensitivity analysis

The Company's exchange rate risk primarily come from the cash and cash equivalents, accounts receivable, loan and accounts payable, etc. denominated in foreign currency with the resulting foreign currency exchange gains and losses. When NT to appreciated or depreciated relatively to NTD, USD, JPY, and EUR (by 5%) on December 31, 2015 and 2014. With all other factors remaining unchanged, the net income before tax in 2015 and 2014 would increase or decrease by NT$158,595 thousand and NT$355,892 thousand, respectively. The analysis of the two periods was performed on the same basis, and the interests shall increase or decrease by 26,687 thousand and 0 thousand. The analysis of the two periods was performed with the same basis.

(3) Exchange gains or losses for monetary items

As the Company has varieties of functional currencies, the information regarding foreign exchange gain or loss on monetary items are disclosed in summary. The foreign exchange gain (loss) (including realized and unrealized) for 2015 and 2014 amounted to 79,225 thousand and 460,086 thousand.

4. Interest Analysis

The Company's interest rate exposure of financial assets and financial liabilities is described in the liquidity risk management of this note.

The following sensitivity analysis is based on the interest rate risk exposure. The analysis of the floating interest rate liabilities is with the assumption that the amount of liability outstanding on the reporting date was outstanding for the whole year.

If interest rates increased or decreased by 0.25%, but all other variables remained constant, the Company's net income before tax in 2015 and 2014 would be decreased or increased by NT$1,702 thousand and NT$9,399 thousand, respectively, mainly due to the parent company's loans with variable interest rates.

5. Fair value information

(1) Types of financial instruments and fair value

The carrying amounts and fair values of the Company's financial assets and liabilities (including ranking information of the fair value, however for financial instruments not measured with fair value and has carrying amount reasonably approximates the fair value, and equity investment instrument without quotation in active market as well as the fair value cannot be reliably measured, they are not required to disclose the fair value information) are listed as follows:

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Financial assets in	$ 1,373,871	1,373,871	-	-	1,373,871

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
available-for-sale－non-current					
Financial assets measured at cost – noncurrent	$ 1,362,697	-	-	-	-
Loans and receivables					
Cash and cash equivalents	$ 5,901,967	-	-	-	-
Notes and accounts receivable (including related party)	6,203,883	-	-	-	-
Other financial assets (current and noncurrent)	278,478	-	-	-	-
Subtotal	$12,384,328	-	-	-	-
Financial liabilities measured with amortized costs					
Short-term loans	$ 2,610,081	-	-	-	-
Long-term loans (including long-term loan due in one year)	2,611,106	-	-	-	-
Notes and accounts payable (including related party)	2,932,029	-	-	-	-
Finance lease payable (current and non-current)	301,321	-	356,887	-	356,887
Subtotal	$ 8,454,537	-	356,887	-	356,887

	2014.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Financial assets measured at fair value through profit or loss-current	$ 5,225	5,225	-	-	5,225
Financial assets in available-for-sale－non-current	$ 858,637	858,637	-	-	858,637
Financial assets measured at cost – noncurrent	$ 1,403,767	-	-	-	-
Loans and receivables					
Cash and cash equivalents	$ 5,390,582	-	-	-	-
Notes and accounts receivable (including related party)	5,018,746	-	-	-	-
Other financial assets (current and noncurrent)	628,789	-	-	-	-
Subtotal	$ 11,038,117	-	-	-	-
Financial liabilities measured with amortized costs					
Short-term loans	$ 2,819,368	-	-	-	-

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Long-term loans (including long-term loan due in one year)	4,475,334	-	-	-	-
Notes and accounts payable (including related party)	2,712,748	-	-	-	-
Finance lease payable (current and non-current)	369,823	-	431,981	-	431,981
Subtotal	$ 10,377,273	-	431,981	-	431,981

(2) Valuation technique to measure the financial instruments that are not measured at fair value

The approach and assumption used by the parent company to estimate instrument not measured by fair value.

Financial liabilities measured with amortized costs

If prices from sales or quoted prices from sellers are available, the most recent sale price and quoted price shall be used as basis to estimate the fair value. If no market value is available for reference, the valuation method is adopted for the estimation. The assessment and assumption adopted by the valuation method is fair value of the estimated discounted cash flow.

(3) Valuation technique employed to measure financial instruments that are measured at fair value

Non-derivatives financial instruments

If the financial instrument has quoted prices available in the active market, the quote in the active market shall be used as fair value. Both the market prices announced by major exchanges and those of Central Government bonds determined as popular securities announced by the TPEx are basis of fair value for equity instruments listed in the Exchange (Taipei Exchange)

If public quoted prices can be timely obtained from the exchanges, brokers, underwriters or the competent authority, and the prices can represent actual and frequent transactions in the market, the financial instruments are consider to have public quoted prices in the active market. If the above condition is not met, the market is consider inactive. Generally speaking, if there is great difference between the sales price and purchase price, or there is significant increase in such difference or the transaction are not frequent, there is indication that the market is not active.

Listed stocks (TPEx) refer to financial assets and financial liabilities with standard clauses and conditions that are traded in the active market. Their fair market value refer to their market quoted price respectively.

From January 1 to December 31 of 2015 and 2014, there is no transfer between fair value hierarchy.

(XXXII) Financial risk management

1. Outline

The financial instrument that the parent company is using is exposed to the following risks:

(1) Credit Risk

(2) Liquidity Risk

(3) Market Risk

The Company’s risk exposure information and the objectives, policies and procedures of the parent company’s risk measurement and management are disclosed in the notes. Please refer to the notes to the individual financial statements for the quantitative disclosure in detail.

2. Risk management structure

The Board has sole responsibility for and oversight of the parent company’s risk management framework and risk management policies and procedures. Internal auditors assist the Board of Directors to monitor and to carry out regular and extraordinary review of risk management controls and procedures, and to report the results of the review to the Board.

The Company’s risk management policy is established to identify and analyze the risks faced by the parent company, to set appropriate risk limits and controls, and to monitor risk and the compliance with risk limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the parent company’s operations. Also, develop a disciplined and constructive environmental control through training, management standards, and operating procedures in order to help all employees understand their roles and obligations.

Monitor the compliance of the Company’s risk management policies and procedures, as well as review the adequacy of the parent company’s related risk management framework for the risk faced. Internal auditors assist the Board of Directors of the Company to monitor. Internal auditors carry out the regular and extraordinary review of risk management controls and procedures, and report the results of the review to the audit committee.

3. Credit Risk

Credit risks are the risks of financial loss incurred from customers or the counterparts of financial instruments fail to fulfill contractual obligation. They are mainly from the Company's accounts receivable from customers and securities investment.

(1) Accounts receivables and other receivables

The Company has set up credit policy and analyzes the credit rating of each respective customer before granting standard payment and shipping terms and conditions Purchase limit is set up for each customer. The limit is reviewed periodically. For customers that do not meeting the benchmark credit rating of the Company may only conduct business with the parent company with prepayment term.

The Company does not request collaterals on accounts receivable or other receivable.

(2) Investment

Credit risks of bank deposit, fixed income investment and other financial instruments are monitored by the Company's Financial Department. As the counterparty the Company transacted with and parties to fulfill contractual obligations are banks with good credit standing and financial institutions with investment level ranking or above, corporation and government. As there are no significant for these parties to default, there is no significant credit risk.

(3) Guarantee

Per the Company's policy, it can only provide financial guarantee to companies it has business dealing, the companies of which it holds directly or indirectly for more than 50% shares with voting right, or companies by which it is owned directly or indirectly for more than 50% shares. As of December 31, 2015 and 2014, except for its subsidiaries, the Company does not provide any endorsement or guarantee to any other company.

4. Liquidity Risk

The Company's capital and working capital is sufficient enough to fulfill all contractual obligations; therefore, there is no liquidity risk arising from the inability of raising funds for fulfilling contractual obligations. In addition, the financial assets valued at cost held by the Company cannot be sold quickly in the market; therefore, it could lead to a liquidity risk.

Loan from bank is an important source of liquidity to the Company. As of December 31, 2015 and 2014, the unused line or credit of the short-term bank loan of the Company amounted to NT$9,110,232 thousand and NT$6,945,232 thousand respectively.

5. Market Risk

Market risk refers to the changes in market prices, such as exchange rates, interest rates and equity instrument price changes, causing risks to the Company's income or the value of the financial instruments. The purpose of market risk management is to contain market risk exposure within the tolerable range and with the return on investment optimized.

(1) Exchange rate risk

The Company is exposed to exchange rate risk that is arising from the sales, purchases and loans transactions denominated in non-functional currency. The Company's functional currency is the NTD, as well as RMB, USD, JPY, Euro and Philippines Peso. Such transactions are mainly denominated in the currencies of NTD, RMB, USD, JPY, Euro and Philippines Peso..

Loan interest is denominated in the currency of the loan principal. In general, a loan is in the same currency as the cash flow generated from an operating activity, which is mainly in NTD. However, there are also in RMB, USD and JPY.

For other monetary assets and liabilities denominated in foreign currencies, for any short-term imbalance occurring, the parent company is to maintain the net risk exposure at an acceptable level by buying or selling foreign currency at the spot exchange rate.

(2) Interest rate risk

The Company holds assets and liabilities with floating interest rates, resulting in a cash flow interest rate risk exposure.

(3) Equity instrument price

The Company holds equity securities of listed companies or those trade in TPEx and thus has exposure to the risk of interest incurred. Those equity investments are not held for trading but for strategic investment.

Please refer to Note 6 (5) for risk from change of equity instrument price.

(XXXIII) Capital Management

The policy of the Board of Director is to maintain sound capital base in order to uphold the confidence of investor, creditor, and market, and to support future operations and development. Capital includes the parent company's capital stock, additional paid-in capital, retained earnings and other equities. The Board of Directors controls the return on capital and the common stock dividend level.

Debt capital ratio on the reporting date is as follows:

	2015.12.31	2014.12.31
Total liabilities	$ 17,616,760	19,303,978
Less: Cash and cash equivalent	(5,901,967)	(5,390,582)
Net liabilities	$ 11,714,793	13,913,396
Total Equity	$ 28,569,576	21,583,138
Debt capital ratio	41.00%	64.46%

As of December 31, 2015 the debt capital ratio has decreased due to the repayment of long term loan, reducing total liabilities.

(XXXIV) Financing activities of non-cash transactions

The Company issued common stock shares on August 1, 2014 to merge shares equity of 49.05% from Sunrise Global. Please refer to Note 6 (9) and (22)

VII. Related party transactions

(I) Parent company and the ultimate controlling party

The parent company is the ultimate controller of the Parent company and its subsidiaries.

(II) Other related party transaction

1. Operating revenue

The Company's materials sales amount to the related party are as follows:

	2015	2014
Affiliated companies	$ 1	1
Other related parties	1,719,840	1,412,966
	$ 1,719,841	**1,412,967**

The Company offers selling price to the related party in accordance with the general market price and has the price adjusted with the considerations of sales area, sales volume, etc.

The Company offered a payment term of 210 days to general customers in 2015 and 2014;payment terms of net 45 days to O/A 180 days, as well as net 30 days to O/A 120 days to major related parties.

2. Purchase and outsourced processing

The amount of purchase and outsourced processing from the related party by the Company is as follows:

	2015	2014
Other related parties	**$ 843,980**	**320,473**

The Company has used the general market price to purchase goods and outsource processing from the related party.

The Company was granted a payment term of O/A 0 day to O/A 45 days in 2015 and 2014, and payment terms of net 14 days and O/A 90 days and O/A 15 day to O/A 45 days from the related party.

3. Receivables from related parties

Receivables from related parties are as follows:

Account	Classification of related party	2015.12.31	2014.12.31
Receivables from related parties	Other related parties	**$ 246,635**	**296,447**

In addition, the related party has long-term supply agreements signed with the parent company gradually to secure a stable supply of raw materials for production. As of December 31, 2015, and 2014, the advances from the related party (booked in the "received in advance" and "long-term prepayment") were as follows:

	2015.12.31	2014.12.31
Other related parties	**$ 962,788**	**1,015,786**

4. Payables to related parties

The Company’s payable to related parties is as follows:

Account	Classification of related party	2015.12.31	2014.12.31
Payable to related party	Other related parties	$ 205,665	124,425

5. Property trade

Information regarding the Company’s selling machinery equipment to the related party is summarized as follows:

	2015		2014	
	Sale price	Receivables - ending	Sale price	Receivables - ending
Affiliated companies	$ 281	-	-	-
Other related parties	2,849	-	-	-
	$ 3,130	-	-	-

The realized gains for 2015 and 2014 amounted to 150 thousand and 0 thousand. As of December 31, 2015 and 2014, the deferred disposal income from selling fixed assets to related party amounted NT$1,018 thousand and NT$0 thousand.

The Company’s selling machinery equipment to the related party is summarized as follows:

	2015		2014	
	Amount	Amount payable at end of period (Prepaid equipment)	Amount	Amount payable at end of period (Prepaid equipment)
Other related parties	$ 118,517	-	238,999	(95,623)

6. Various payments paid on behalf of others

The receivables and payables yet to be settled with related parties by the Company, as of December 31, 2015 and 2014, including payment on their behalves for material purchase, insurance, utilities and personnel support are as follows:

	2015.12.31	2014.12.31
Affiliated companies	$ 5,895	9,822
Affiliated companies	(41)	(41)
Other related parties	(1)	(3,970)
	$ 5,853	5,811

7. Others

(1) The Company has a plant lease contract signed with the related party as follows:

The Company has signed a plant lease contract with the related party as follows:

	2015	2014
Other related parties	$ 11,340	-

The Company leased plants from other related parties. As of December 31, 2015 and 2014, the Company has paid off all amounts.

(2) The related party has a plant lease contract signed with the Company as follows:

The related party has a plant lease contract signed with the Company as follows:

	2015	2014
Affiliated companies	$ 7,836	7,836

Account	Classification of related party	2015.12.31	2014.12.31
Receivables from related parties	Affiliated companies	$ 686	686

(III) Key management

The remuneration to key management include:

	2015	2014
Short-term employee benefits	$ 170,049	147,036
Post-employment benefits	1,031	756
Share-based payment	6,329	11,736
	$ 177,409	159,528

The Company provided 4 automobiles for a total of NT$4,845 thousand and 5 automobiles for a total of NT$6,145 thousand for the use by management in 2015, and 2014, respectively as follows:

VIII. Pledged Assets

(I) The carrying amount of the assets pledged by the Company as collateral is as follows:

Assets	Pledge or Mortgage underlying subject	2015.12.31	2014.12.31
Property, plant and equipment	Long-term debt payable	$ 3,625,236	3,763,141
Refundable deposits	Performance bond for purchase of material	163,821	158,955
Bank deposits (recorded as "other financial assets – current)	Performance bond for Acceptances	18,793	-
Time deposits (recorded as "other financial assets – current)	Performance bond for material purchase	2,000	-
Bank deposits (recorded as "other financial assets – current)	Short-term loans	-	343,102
Bank deposits (recorded as "other financial assets – noncurrent)	Innovation Center program performance bond	-	21,745
Bank deposits (recorded as "other financial assets – noncurrent)	Solar energy demonstration system pledge guarantee	201	201
Bank deposits (recorded as "other financial assets – noncurrent)	Pledged as collateral to a land lease	25,515	23,481
Bank deposits (recorded as "other financial assets – noncurrent)	Performance bonds for Government grant provided to technology projects	8,412	11,452
		$ 3,843,978	4,322,077

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Materials unrecognized contractual commitments

1. The Company has negotiated the amount of future purchase in according to the current effective long-term purchase agreement and the market condition. The details are as follows:

(Foreign currency unit: NT$ Thousand)

	2015.12.31	2014.12.31
USD	$ 1,763,139	1,256,357
EUR	$ 79,354	60,315
JPY	$ 9,406,301	11,334,000

Silicon supplier Hemlock Semiconductor Pte. Ltd. Sent notice requesting the Company to pay for amounts agreed to prepay as required by the long-term purchase agreement, goods not shipped yet and relevant interests payment for late pay. The amount, as accumulated as of December 31, 2015, amounted to US$452,640 thousand. The aforementioned purchase amount yet to be collected, except for interest, has included the amount requested by the suppliers. Hemlock Semiconductor Pte. Ltd. serve vouchers and claims to the parent company, which delivered to the parent company on May 12, 2015. Relevant explanation please refer to (II) contingencies.

The pre-payments for goods to a silicon supplier by the Company in 2015 and 2014 were with impairment loss of NT$177,539 and 444,256 appropriated. As of December 31, 2015 and 2014, the carrying value of the accumulated loss on amount prepaid to the silicon supplier by the Company were NT$1,017,563 thousand and 893,581 thousand, and the net were 2,665,439 thousand and 3,793,980 thousand, which were booked in the “prepayments and long-term pre-paid material” account.

2. In response to the long-term purchase contract referred above, the Company has silicon wafer long-term sales contracts signed with the customers since the year 2005. These companies agree to pay the non-refundable funds to the Company. The two parties agreed to have silicon wafers sold in accordance with the agreed quantity and price from January 1, 2006 to December 31, 2019. If the delivery has not been made in compliance with the contract signed, a sales discount or an amount equivalent to 1.5~4 times of the advances from customers as compensation should be granted. If the delay of shipment has not been resolved for more than three months, the outstanding pre-payment should be refunded. In addition, in response to the price decline arising from the falling demand, solar energy battery customers and the Company will negotiate the selling price and adjusting the average selling price in accordance with market conditions.

   The amount of delivery according to the existing contracts and current market conditions is as follows:

(Foreign currency unit: NT$ Thousand)

	2015.12.31	**2014.12.31**
USD	$ 277,007	197,859
EUR	$ 188,879	143,544
NTD	$ 580,961	3,002,132

3. As of December 31, 2015 and 2014, the total of significant construction, plant and equipment, with contracts signed or orders place but yet to be delivered for inspection, amounted to 634,835 thousand and NT$ 252,895 thousand.
4. As of December 31, 2015 and 2014, the total amount of promissory notes deposited in the bank by the Company after obtaining bank loans were NT$9,612,720 thousand and NT$9,254,800 thousand, respectively.
5. As of December 31, 2015 and 2014, the amount of the performance bond issued by the bank upon the request of the Company to the Directorate General of Customs, Ministry of Finance and for R&D programs were NT$41,400 thousand and NT$45,680 thousand, respectively.
6. As of December 31, 2015, the letter of credit issued but not used by the Company amounted to US$6,162 thousand and EUR 4,288 thousand
7. The Company has signed co-work agreement with multi-wafer solar cell manufacturer (abbreviated as the manufacturer). From July 1, 2015 to September 31, 2021, the manufacturer provides plant and equipment for the Parent company to use in operation. According to the contract, the Company should allocate part of the operating profit arising from the plant and equipment to the manufacturer. During the contract period, after the cumulative operating profit reached a certain amount, the Company is entitled to obtain the ownership of the plant and equipment with or without any consideration paid.

(II) Contingent liabilities

Silicon supplier Hemlock Semiconductor Pte. Ltd. has petitioned to the New York County supreme court in March 2015, New York State, U.S.A. It has claimed that the parent company violated the agreement and asked for compensation for damage. The parent company has denied the claims by providing an answer. Hemlock Semiconductor Pte. Ltd. Contents of complaints. As of the audit date of the financial reports, the lawsuit was in the stage of Discovery. In order not to affect the position the parent company holds in the lawsuit, the disclosure in relations to liability reserve, contingencies liabilities or assets were not in full compliance in accordance with IAS 37. The parent company has engaged lawyer to rebut in full force to all complaints made by Hemlock Semiconductor Pte. Ltd.

X. Loss from major accidents: None

XI. Materiality after the period: None

XII. Others

Employee benefits and depreciation expenses are summarized by functions as follows:

By Function / By Nature	2015			2014		
	Classified as operating cost	Classification of operating expenses	Total	Classified as operating cost	Classification of operating expenses	Total
Employee benefits expense						
Salaries	2,690,862	733,312	3,424,174	2,691,009	761,577	3,452,586
Labor and health insurance	401,046	80,507	481,553	440,472	89,263	529,735
Pension expenses	120,044	33,441	153,485	100,516	26,734	127,250
Other employee benefits expense	363,330	102,622	465,952	355,498	128,786	484,284
Depreciation expense	2,001,912	158,248	2,160,160	1,964,808	215,235	2,180,043
Amortizations	27,237	4,538	31,775	15,267	8,220	23,487

XIII. Supplementary disclosure

(I) Information of significant transactions

The materials transactions to be disclosed by the Company in 2015 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers are as follows:

1. Loaning of Funds: Attachment 1.
2. Endorsement and guarantee for others: Attachment 2.
3. Marketable securities held at year end (Does not include investments in subsidiaries, affiliated companies and joint control): Attachment 3.
4. The cumulative purchase or sale of the same security for an amount over NT$300 million or 20% of the paid-in capital: Attachment 4.
5. Acquisition of real estate for an amount over NT$300 million or 20% of the paid-in capital: None.

6. The amount of real property disposed exceeds NT$300 million or 20% of stock capital collected: None.
7. The purchase or sale amount with the related parties for an amount over NT$100 million or 20% of the paid-in capital: Attachment 5.
8. Receivables from related parties for an amount over NT$100 million or 20% of the paid-in capital: Attachment 6.
9. Trading of Derivative Products: None.
10. Significant inter-parent company transactions: please see Attachment 7.

(II) Investees information: Attachment 8.

(III) Investments in Mainland China:

1. Investments in Mainland China information: Please refer to Attachment 9 (1) for details.
2. Investment limits in Mainland Chins: Please refer to Attachment 9 (2) for details.

XIV. Segment information

(I) General Information

The Company has two reportable segments: they are semi-conductor business department (referred hereinafter as semiconductor department" and the solar energy business department (referred hereinafter as solar department). The semiconductor department mainly engages in research and develop, design, manufacture and sales of semi-conductor silicon materials. The main products are semiconductor silicon materials and components related products. The solar department mainly engages in research and develop, design, manufacture and sales of solar silicon materials. The main products are solar silicon materials and components related products.

(II) Information regarding adjustment of income and loss, assets, liabilities and measurement basis of the reportable segment

The amount reported by segment information is consistent with the report used by the decision makers. The operating segments' accounting policies are the same as disclosed in Note 4. The profit and loss of the operating department of the Company are measured with sales revenues and net income after tax, and served as basis to evaluate the performance of a department.

Reconciliation for segment income (loss):

	2015			
	Semiconductor Department	Solar energy Department	Adjustment and elimination	Total
Revenues				
Net external revenue	$ 15,290,575	12,978,782	-	28,269,357
Revenue from internal customers	19,887	3,446	(23,333)	-
Total revenues	$ 15,310,462	12,982,228	(23,333)	28,269,357
Interest expenses	$ 11,229	65,653	-	76,882
Depreciation and amortization	$ 1,254,445	940,986	(3,496)	2,191,935
Reportable Segment	$ 2,044,193	(593,577)	-	1,450,616
Share of the subsidiaries and affiliated companies accounted for using equity method.				(394,214)
				$ 1,056,402
Assets of reportable segments	$ 23,815,760	20,862,591	(98,882)	44,579,469
Investment accounted for using equity method				1,606,867
				$ 46,186,336
Liabilities of the reportable segments	$ 7,091,163	10,564,235	(38,638)	17,616,760

	2014			
	Semiconductor Department	Solar energy Department	Adjustment and elimination	Total
Revenues				
Net external revenue	$ 15,906,211	11,915,245	-	27,821,456
Revenue from internal customers	15,480	1,363	(16,843)	-
Total revenues	$ 15,921,691	11,916,608	(16,843)	27,821,456
Interest expenses	$ 28,350	106,019	-	134,369
Depreciation and amortization	$ 1,406,402	797,128	-	2,203,530
Reportable Segment	$ 2,095,432	(739,539)	(56,571)	1,299,322
Share of the subsidiaries and affiliated companies accounted for using equity method.				(55)
				$ 1,299,267
Assets of reportable segments	$ 21,384,763	17,658,714	(161,225)	38,882,252
Investment accounted for using equity method				2,004,864
				$ 40,887,116
Liabilities of the reportable segments	$ 8,183,949	11,189,711	(69,682)	19,303,978

(III) Information by products and by services:

The infomation of net external revenue is as following:

	2015	2014
Semiconductor wafer	$ 13,614,573	14,675,962
Solar wafer	4,741,481	3,400,513
solar module	3,771,114	195,918
Solar cell	1,485,793	4,458,456
Semiconductor ingot	1,177,490	1,084,927
Solar ingot	69,111	301,895
Other	3,409,795	3,703,785
	$ 28,269,357	27,821,456

(IV) Information on Geographical area:

Information of geographical area of the Company is as follows. The revenues are classified in term of where the customers are located, while the noncurrent assets are classified in term of where the assets are located.

(1) Net external revenue:

Area	2015	2014
Taiwan	$ 9,845,644	10,009,568
Japan	7,956,668	9,331,307
U.S.A.	2,495,007	2,157,764
Mainland China	1,906,120	2,524,107
Other countries	6,065,918	3,798,710
	$ 28,269,357	27,821,456

(2) Noncurrent Assets

Area	2015.12.31	2014.12.31
Taiwan	$ 9,570,920	8,649,142

Japan	5,891,008	5,689,253
U.S.A.	3,647,086	3,575,963
Philippines	2,022,906	-
Other countries	770,746	916,771
	$ 21,902,666	**18,831,129**

(V) Information on key customers:

Key customers with more than 10% of the Company's operating revenues

	2015	2014
H Company Group	**$ 2,771,154**	**3,285,070**

Sino-American Silicon Products Inc. and subsidiaries

Lending of Funds

From January 1 to December 31, 2015

Attachment 1

Unit: NT$ Thousand

No.	Lending company	Borrowers	Inter account	A related party or not	Maximum amount	Balance - ending	The actual utilization amount balance	Interest rate Period	Nature of the loans (Note 1)	Trade amount	Reasons for short-term financing	Allowance for bad debt	Collateral		Loaning of fund to individual object and the limits (Note 2 and 4)	Limit for total funds lended (Note 3)
													Name	Value		
0	Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Loan receivable – related party	Yes	631,600 (USD20,000)	-	-	2.0%	2	-	Working capital	-	-	-	2,298,676	9,194,703
0	Sino-American Silicon Products Inc.	SPV	Loan receivable – related party	Yes	492,375 (USD15,000)	492,375 (USD15,000)	-	4.5%	2	-	Working capital	-	-	-	2,298,676	9,194,703
0	Sino-American Silicon Products Inc.	Aleo Solar	Loan receivable – related party	Yes	369,200 (EUR10,000)	358,800 (EUR10,000)	89,700 (EUR2,500)	2.0%	2	-	Working capital	-	-	-	2,298,676	9,194,703
0	Sino-American Silicon Products Inc.	Aleo Sunrise	Loan receivable – related party	Yes	179,400 (EUR5,000)	179,400 (EUR5,000)	89,700 (EUR2,500)	2.0%	2	-	Working capital	-	-	-	2,298,676	9,194,703
1	Globalwafers	Sino-American Silicon Products Inc.	Loan receivable – related party	Yes	1,200,000	-	-	1.8%	2	-	Working capital	-	-	-	1,672,460	6,689,839
2	SSTI	SPV	Loan receivable – related party	Yes	460,180 (USD14,000)	459,550 (USD14,000)	459,550 (USD14,000)	4.0%	2	-	Working capital	-	-	-	459,571	459,571
3	SAS Sunrise Inc.	AMLED	Loan receivable – related party	Yes	32,870 (USD1,000)	32,825 (USD1,000)	32,825 (USD1,000)	4.0%	2	-	Working capital	-	-	-	318,188	318,188
4	SAS Sunrise Pte. Ltd	AMLED	Loan receivable – related party	Yes	288,860 (USD8,800)	288,860 (USD8,800)	288,860 (USD8,800)	4.5%	2	-	Working capital	-	-	-	295,554	295,554

Note 1: The entry method for the loaning of funds is as follows: (1) “1” stands for those who had conducted business transactions with the company; (2) “2” stands for where there was need for a short-term loan;

Note 2: For the loaning of funds to a business counterpart, the individual loan amount is limited to the transaction amount conducted between the two parties within the year. For the loaning of funds to a parent company with the need of short-term financing, the individual loan amount is limited to 10% of the net worth of the lender. For the loaning of funds between the lender and a foreign parent company with 100% voting rights held directly and indirectly by the lender, the individual loan amount is limited to 20% of the net worth of the lender.

Note 3: For the loaning of funds to a business counterpart, the total loan amount is limited to 40% of the net worth of the lender. For the loaning of funds to a company with the need of short-term financing, the total loan amount is limited to 10% of the net worth of the lender. For the loaning of funds between the lender and a foreign company with 100% voting rights held directly and indirectly by the lender, the total loan amount is limited to 40% of the net worth of the lender.

Note 4: Transactions with consolidated parties as mentioned above were eliminated when preparing the consolidated reports.

Sino-American Silicon Products Inc. and subsidiaries

Endorsement and guarantee for others:

From January 1 to December 31, 2015

Attachment 2 Unit: NT$ Thousand

No.	Endorsing company	Endorsed company		Endorsement limit to a single company (note 2)	Maximum Balance in current period	Endorsement balance at end of period	Actual financing amount	Endorsement and guarantee with assets as collateral	Ratio of accumulated endorsement and guarantee of the net worth on the most recent financial statement	Maximum amount for guarantee (note 1)	Endorsement and guarantee by the parent company to it subsidiaries	Endorsement and guarantee by the subsidiaries to parent company	Endorsement and guarantee to companies in Mainland China.
		Company Name	Relationship										
0	Sino-American Silicon Products Inc.	GWJ	Transfer investment parent company of Sino-American Silicon Products Inc.	2,298,676	143,948(JPY 525,551)	143,318(JPY 525,551)	-	-	0.62%	11,493,378	Y	N	N
0	Sino-American Silicon Products Inc.	SAS sunrise Inc	- Ditto -	2,298,676	328,700(USD10,000)	-	-	-	-	11,493,378	Y	N	N
0	Sino-American Silicon Products Inc.	SAS sunrise Inc. & SAS Sunrise Pte. Ltd. & SPV	- Ditto -	2,298,676	1,838,200(USD56,000)	1,838,200(USD56,000)	742,584(USD22,623)	-	8.00%	11,493,378	Y	N	N
1	Globalwafers	GWJ	- Ditto -	1,672,460	273,900(JPY 1,000,000)	272,700(JPY 1,000,000)	-	-	1.63%	8,362,299	N	N	N

Note 1: The total cumulative endorsement and guarantee amount provided is limited to 50% net worth on the most recent financial statements of the endorsing company.

Note 2: The endorsement and guarantee amount provided to one single company is limited to 10% net worth on the most recent financial statements of the endorsing company.

Note 3: The total cumulative endorsement and guarantee amount and the endorsement and guarantee amount provided to one single company by the endorsing company and its subsidiaries is limited to 50% net worth on the most recent financial statements of the endorsing company.

Note 4: The endorsement and guarantee provided to the following enterprises are exempted from the three limitations referred to above:

(1) The companies with 50% voting rights directly or indirectly held by the endorsing company; and

(2) The company holds 50% voting rights of the endorsing company directly or indirectly and the companies with 50% voting right directly or indirectly held by the company.

Sino-American Silicon Products Inc. and subsidiaries

Marketable securities held at yearend (not including investments in subsidiaries, affiliates, and joint ventures)

December 31, 2015

Attachment 3

Unit: NT$ Thousand / Thousand shares

Holding company	Type and title of marketable securities	Affiliation with marketable security issuers	Account titles	Ended				The highest capital contribution in the interim	Remarks
				Number of shares	Carrying Amount	Shareholding ratio	Fair value		
Sino-American Silicon Products Inc.	Stock of Solartech Energy Corp.	The parent company is the management of Solartech Energy Corp.	Financial assets in available-for-sale — non-current	29,480	598,453	7.93%	598,453	7.93%	
Sino-American Silicon Products Inc.	Stock of Actron Technology Corporation	Chairman of the parent company is also the Chairman of Sino-American Silicon Products Inc.	- Ditto -	2,129	241,677	2.84%	241,677	2.84%	
GTI	Stocks of companies overseas	-	- Ditto -	2,074	533,741	4.95%	533,741	4.95%	
					1,373,871				
Sino-American Silicon Products Inc.	Stock of SONGLONG ELECTRONICS CO., LTD.	-	Financial assets measured at costs - non current	221	-	13.81%	-	13.81%	
Sino-American Silicon Products Inc.	Stock of Giga Epitaxy Technology Corp.	-	- Ditto -	1,100	7,499	1.52%	-	1.52%	
Sino-American Silicon Products Inc.	Stock of 21-Century Silicon Inc.	-	- Ditto -	1,000	-	7.74%	-	7.74%	
Sino-American Silicon Products Inc.	Stock of Powertec Energy Corporation	-	- Ditto -	84,895	774,936	5.00%	-	5.00%	
Sino-American Silicon Products Inc.	Stock of Sunshine PV Corp.	-	- Ditto -	5,928	29,367(Note)	5.12%	-	5.12%	
SSTI	Stock of SILFAB SPA	-	- Ditto -	300	550,895	15.20%	-	15.20%	
SSTI	Stock of Clean Venture 21 Corporation	-	- Ditto -	10	-	7.20%	-	7.20%	
					1,362,697				

Note: including prepaid investment amounted to NT$2,305 thousand. As of the reporting date of the financial reports, the capital increase process has not been completed.

Sino-American Silicon Products Inc. and subsidiaries

The cumulative purchase or sale of the same marketable security for an amount over NT$300 million or 20% of the paid-in capital

From January 1 to December 31, 2015

Attachment 4

Unit: NT$ Thousand / Thousand shares

Companies in the purchase and sale activities	Type and names of marketable securities	Account titles	Counter party	Relationship	Beginning		Buy		Sell				End of Period	
					Shares	Amount	Shares	Amount	Shares	Selling price	Carrying cost	Disposition gain or loss	Shares	Amount
Sino-American Silicon Products Inc.	Stock of Globalwafers Co., Ltd.	Long-term investments accounted for using equity method	Globalwafers	Subsidiaries directly held by the parent company.	301,381	12,532,812	-	-	55,088	4,223,828	1,377,506(Note 1)	1,766,025	246,293	11,155,306
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Long-term investments accounted for using equity method	SAS Sunrise Inc.	Subsidiaries directly held by the parent company.	-	-	24,500	786,748 (Note 1)	-	-	-	-	24,500	786,748
SAS Sunrise Inc.	SAS Sunrise Pte. Ltd.	Long-term investments accounted for using equity method	SAS Sunrise Pte. Ltd.	Subsidiaries indirectly held by the parent company.	-	-	30,934	738,886 (Note 1)	-	-	-	-	30,934	738,886
SAS Sunrise Pte. Ltd.	SPV	Long-term investments accounted for using equity method	SPV	Subsidiaries indirectly held by the parent company.	-	-	420,000	440,650 (Note 1)	-	-	-	-	420,000	440,650
GTI	Stocks of companies overseas	Financial assets in available-for-sale —non-current	-	-	-	-	2,074	533,741 (Note 1)	-	-	-	-	2,074	533,741

Note 1: It includes adjustment of equity investment gains and losses recognized currently, cumulative translation adjustment and unrealized loss of financial assets available for sale.

Note 2: Transactions with consolidated parties as mentioned above were eliminated when preparing the consolidated reports.

Sino-American Silicon Products Inc. and subsidiaries

Purchases or sales with related parties amounting to over NT$100 million or 20% of the paid-in capital

From January 1 to December 31, 2015

Attachment 5 Unit: NT$ Thousand

Companies to make purchase (sale)	Name of the trading counter party	Relationship	Status of transaction				Special terms and conditions of trade and reasons		Notes receivable (payable), accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Total percentage of the accounts and notes receivable (payable) (%)	
Sino-American Silicon Products Inc.	Solartech Energy Corp.	The parent company is the management of Solartech Energy Corp.	Purchase	819,319	8%	Net 14 days	-	-	(197,232)	(13)%	-
Sino-American Silicon Products Inc.	Solartech Energy Corp.	The parent company is the management of Solartech Energy Corp.	Sales	(1,421,350)	(12%)	Net 45 days	-	-	169,671	7%	-
Aleo Solar	Sino-American Silicon Products Inc.	Subsidiaries directly held by the parent company.	Purchase	1,223,081	10%	Net 90 days	-	-	(583,989)	(24)%	Note 2
SPV	Sino-American Silicon Products Inc.	Subsidiaries indirectly held by the parent company.	Purchase	(Note 1)	-	O/A 30 days	-	-	(373,569)	(15)%	Note 2
Globalwafers	Sino-American Silicon Products Inc.	Subsidiaries directly held by the parent company.	Purchase	187,514	2%	O/A 60 days	-	-	(43,068)	(3)%	Note 2
Globalwafers	GTI	Subsidiaries indirectly held by the parent company.	Purchase	832,432	9%	O/A 15 days	-	-	(17,223)	(1)%	Note 2
Globalwafers	Kunshan Sino	Subsidiaries indirectly held by the parent company.	Purchase	1,752,744	19%	O/A 45 days	-	-	(268,195)	(17)%	Note 2
Globalwafers	GWJ	Subsidiaries indirectly held	Purchase	5,150,462	56%	O/A 60 days	-	-	(1,038,083)	(67)%	Note 2

Companies to make purchase (sale)	Name of the trading counter party	Relationship	Status of transaction				Special terms and conditions of trade and reasons		Notes receivable (payable), accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Total percentage of the accounts and notes receivable (payable) (%)	
		by the parent company.									

Companies to make purchase (sale)	Name of the trading counter party	Relationship	Status of transaction				Special terms and conditions of trade and reasons		Notes receivable (payable), accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Total percentage of the accounts and notes receivable (payable) (%)	
GTI	Globalwafers	Subsidiaries indirectly held by the parent company.	Purchase	2,397,361	35%	O/A 120 days	-	-	(830,939)	(37)%	Note 2
Kunshan Sino	Globalwafers	Subsidiaries indirectly held by the parent company.	Purchase	851,754	12%	O/A 135 days	-	-	(96,935)	(4)%	Note 2
GWJ	Globalwafers	Subsidiaries indirectly held by the parent company.	Purchase	804,375	12%	O/A 60 days	-	-	(213,146)	(9)%	Note 2
Globalwafers	Actron Technology Corporation	Chairman of the parent company is also the Chairman of Sino-American Silicon Products Inc.	Sales	(282,361)	(4%)	O/A 60 days	-	-	76,310	3%	-

Note 1: The parent company sold directly to the related parties. As the transactions are deemed as inventory transfer, the sales revenues and relevant costs were eliminated upon presenting of the financial reports and not deemed as sales and costs of the parent company.
Note 2: Transactions with consolidated parties as mentioned above were eliminated when preparing the consolidated reports.

Sino-American Silicon Products Inc. and subsidiaries

Receivables from related parties for an amount over NT$100 million or 20% of the paid-in capital

December 31, 2015

Attachment 6 Unit: NT$ Thousand

Account receivable company	Name of the trading counter party	Relationship	Receivables from related parties	Turnover rate	Overdue receivables from related parties		Receivables from related parties with mount received after the reporting date (note)	Allowance for bad debt
					Amount	Manner of Handling		
Sino-American Silicon Products Inc.	Solartech Energy Corp.	The parent company is the management of Solartech Energy Corp.	169,671	9.59	-	-	169,671	-
Sino-American Silicon Products Inc.	Aleo Solar	Subsidiaries directly held by the parent company	583,989	3.77	-	-	419,529	-
Sino-American Silicon Products Inc.	SPV	Subsidiaries indirectly held by the parent company.	373,569	-	-	-	304,022	-
Globalwafers	GTI	Subsidiaries indirectly held by the parent company.	830,939	4.44	-	-	207,700	-
Globalwafers	GWJ	Subsidiaries indirectly held by the parent company.	213,146	6.13	-	-	203,636	-
Kunshan Sino	Globalwafers	Subsidiaries indirectly held by the parent company.	268,195	7.17	-	-	189,450	-
GWJ	Globalwafers	Subsidiaries indirectly held by the parent company.	1,038,083	4.94	-	-	959,517	-

Note: as of March 3, 2016, the amount received after the reporting date.

Sino-American Silicon Products Inc. and subsidiaries

Significant transactions eliminated between the parent company and subsidiary

From January 1 to December 31, 2015

Attachment 7

Unit: NT$ Thousand

No.	Name of counterparty	Counterparty	Relationship with counterparty	Transactions			
				Accounts	Amount	Terms of trading	% of combined total revenues or assets
0	Sino-American Silicon Products Inc.	Aleo Solar	Subsidiaries held by the parent company	Sales	1,223,081	Net 90 days	4%
0	Sino-American Silicon Products Inc.	Aleo Solar	Subsidiaries held by the parent company	Accounts receivable	583,989	Net 90 days	1%
1	Globalwafers	GTI	Subsidiaries indirectly held by the parent company.	Purchase	832,432	O/A 15 days	3%
1	Globalwafers	Kunshan Sino	Subsidiaries indirectly held by the parent company.	Purchase	1,752,744	O/A 45 days	6%
1	Globalwafers	GWJ	Subsidiaries indirectly held by the parent company.	Purchase	5,150,462	O/A 60 days	18%
1	Globalwafers	GWJ	Subsidiaries indirectly held by the parent company.	Accounts payable	1,038,083	O/A 60 days	2%
1	Globalwafers	GTI	Subsidiaries indirectly held by the parent company.	Sales	2,397,361	O/A 120 days	8%
1	Globalwafers	GTI	Subsidiaries indirectly held by the parent company.	Accounts receivable	830,939	O/A 120 days	2%
1	Globalwafers	Kunshan Sino	Subsidiaries indirectly held by the parent company.	Sales	851,754	O/A 135 days	3%
1	Globalwafers	GWJ	Subsidiaries indirectly held by the parent company.	Sales	804,375	O/A 60 days	3%

Note: For other transactions not reaching 1% of total revenues or total assets, no disclosure is required.

Sino-American Silicon Products Inc. and subsidiaries

Reinvestment information (not including investments in Mainland China)

From January 1 to December 31, 2015

Attachment 8

Unit: NT$ Thousand / Thousand shares

Investment Company	Name of invested company	Area	Main Business	The amount of the original investment		Shareholdings at end of period			% of highest capital contribution in the period	Net income (loss) of the invested company	Investment gains and losses recognized in the current period	Remarks
				End of this period	The end of last year	Shares	Ratio	Carrying Amount				
Sino-American Silicon Products Inc.	SSTI	British Virgin Islands	The holding company of the parent company for investing overseas	1,425,603(USD 45,255)	1,425,603(USD 45,255)	48,526	100.00%	1,148,928	100.00%	(5,938)	(5,938)	Note 1 & 5
Sino-American Silicon Products Inc.	Globalwafers	Taiwan	Semiconductor silicon wafer materials and components manufacturing and trade	9,822,066	12,017,180	246,293	66.70%	11,155,306	94.92%	2,044,193	1,518,631	Note 5
Sino-American Silicon Products Inc.	Crystalwise Technology Inc.	Taiwan	Optical wafer and substrate manufacturing and trade	2,010,843	2,010,843	84,848	40.38%	1,487,561	40.45%	(927,153)	(394,214)	Note 3
Sino-American Silicon Products Inc.	Sino-American Materials Co., Ltd.	Taiwan	EVA film for solar modules manufacturing and sale	90,000	90,000	9,000	90.00%	59,517	90.00%	(22,660)	(20,476)	Note 5
Sino-American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar cell module manufacturing	112,193	112,193	7,452	24.70%	119,306	24.70%	3,710	-	-
Sino-American Silicon Products Inc.	Aleo Solar	Prenzlau	Solar cell manufacturing and sale and wholesale of electronic materials	558,139(EUR 13,500)	558,139(EUR 13,500)	(Note 2)	100.00%	479,387	100.00%	11,778	11,778	Note 3 and 5
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Cayman	Investments in various businesses	794,373(USD 24,500)	-	24,500	100.00%	786,748	100.00%	(26,394)	(26,394)	Note 5
Sino-American Silicon Products Inc.	FZtech Inc.	Taiwan	Power generating business	5,000	-	500	100.00%	5,000	100.00%	-	-	Note 5
SAS Sunrise Inc.	SAS Sunrise Pte. Ltd.	Singapore	Investments in various businesses	719,292(USD 22,000)	-	30,934	100.00%	738,886	100.00%	(9,219)	(9,219)	Note 5
SAS Sunrise Pte.	SPV	Philippines	Power generating	440,667(USD 13,435)	-	420,000	40.00%	440,650	40.00%	(12,105)	(4,842)	Note 5

Investment Company	Name of invested company	Area	Main Business	The amount of the original investment		Shareholdings at end of period			% of highest capital contribution in the period	Net income (loss) of the invested company	Investment gains and losses recognized in the current period	Remarks
				End of this period	The end of last year	Shares	Ratio	Carrying Amount				
Ltd.			business									

Investment Company	Name of invested company	Area	Main Business	The amount of the original investment		Shareholdings at end of period			% of highest capital contribution in the period	Net income (loss) of the invested company	Investment gains and losses recognized in the current period	Remarks
				End of this period	The end of last year	Shares	Ratio	Carrying Amount				
SAS Sunrise Pte. Ltd.	AMLED	Philippines	Investments in various businesses	-	-	-	-	-	-	-	-	Note 4 and 5
AMLED	SPV	Philippines	Power generating business	297,229(USD 9,065)	-	472,500	45.00%	291,781	45.00%	(12,105)	(5,448)	Note 5
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Italy	Solar cell manufacturing and sale and wholesale of electronic materials	4,078 (EUR 100)	4,078 (EUR 100)	(Note 2)	100.00%	10,555	100.00%	4,825	4,825	Note 5
Aleo Solar	Aleo Sunrise	Germany	Manufacturing of solar cell as well as sale and wholesale of electronic materials	863 (EUR 25)	-	(Note 2)	100.00%	(5,901)	100.00%	(6,677)	(6,677)	Note 5
Globalwafers	GWI	Cayman	Investments in various businesses	2,241,668(USD 73,423)	2,241,668(USD 73,423)	90,000	100.00%	3,428,110	100.00%	33,046	22,042	Note 5
Globalwafers	GSI	Cayman	Business investment and triangular trade center with subsidiaries in China	756,809(USD 26,555)	756,809(USD 26,555)	25,000	100.00%	946,021	100.00%	68,699	45,822	Note 5
Globalwafers	GWafers	Japan	Investments in various businesses	5,448,015(JPY 13,827,513)	5,448,015(JPY 13,827,513)	(Note 2)	100.00%	8,527,001	100.00%	1,475,794	984,355	Note 5
GWI	GTI	Texas	Epitaxial silicon wafer production and trade of epitaxy foundry business	2,241,668(USD 73,423)	2,241,668(USD 73,423)	1	100.00%	3,428,110	100.00%	48,934	22,042	Note 3 and 5
GWafer	GWJ	Japan	Semiconductor silicon wafer manufacturing and trading	5,484,300(JPY 13,142,798)	5,484,300(JPY 13,142,798)	128	100.00%	8,518,693	100.00%	1,092,363	984,623	Note 3 and 5

Note 1: The initial investment amount does not include capitalization from earnings.

Note 2: It is a Limited Company

Note 3: The recognition of investment gains and losses includes investment cost and the amortization amount of the net equity acquired.

Note 4. Even the Company does not hold the owner's right of AMLED, however according to the negotiated terms signed with AMLED, the parent company can control the financial and business strategy of AMLED and obtain all interests from its operation and net assets. Therefore the Company consider AMLED as a subsidiary.

Note 5: Transactions with consolidated parties as mentioned above were eliminated when preparing the consolidated reports.

Sino-American Silicon Products Inc. and subsidiaries

The overview of the investments in Mainland China and the limitations of the investments in Mainland China

From January 1 to December 31, 2015

Attachment 9

(I) Information of investments in Mainland China

Unit: NT$ Thousand

Names of investees in Mainland China	Main Business	Paid-in Capital	Investment Method	The cumulative amount of investment remitted from Taiwan as of the period began	Current remitted or recovered amount of investment		The cumulative amount of investment remitted from Taiwan as of the period began	Net income (loss) of the invested company	The shareholding ratio of Sino-American Silicon Products Inc. in the direct or indirect investments	The highest shareholding ratio in the period	Investment Profit or Loss for Current Period (Note 2)	Ending investment carrying amount	The investment income received as of the current period
					outbound remittance	Recovered							
Kunshan Sino	Silicon rods and silicon wafer processing and trade	769,177 (Note 5)	(Note 1)	713,300(USD21,729)	-	-	713,300(USD21,729)	52,891	66.70%	94.92%	35,278	920,562	-

(II) The limitations of reinvestments in Mainland China

By company	The cumulative amount of investment remitted from Taiwan to Mainland China as of the period ended	Investment amount approved by the Investment Commission MOEAIC	Investment amount approved by the Investment Commission MOEAIC
Globalwafers Co., Ltd.	713,300 (USD21,729)	818,233 (USD25,000)(Note 3)	10,034,758 (Note 4)

Note 1: Investments in China through GSI

Note 2: Investment gains and losses are recognized in accordance with the audited financial statements.

Note 3: Converted in accordance with the historical exchange rates.

Note 4:It is calculated by having the 60% limit stipulated in the “Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China” by the Investment Commission MOEA on August 29, 2008 multiplied by the net worth of Globalwafers Co., Ltd. on December 31, 2015.

Note 5: It included capitalization from earnings.

6.5 Audited Standalone Financial Statements for Most Recent Year

2015 FINANCIAL STATEMENTS

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Financial Position
December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

Assets		**December 31, 2015**		**December 31, 2014**	
Current assets:			%		%
Cash and cash equivalents	$	1,279,123	4	1,460,560	5
Notes and trade receivable, net		1,289,888	4	1,110,375	3
Accounts receivable from related parties		1,362,216	4	397,283	1
Inventories, net		1,995,196	6	1,387,777	4
Prepayments for materials		439,566	1	627,068	2
Other current assets		194,142	1	175,846	—
		6,560,131	20	5,158,909	15
Non-current assets:					
Available-for-sale financial assets – non-current		840,130	3	858,637	3
Financial assets carried at cost – non-current		811,802	2	867,323	3
Investments accounted for using equity method		15,159,801	47	16,234,271	53
Property, plant and equipment, net		7,282,061	23	5,999,176	19
Intangible assets		—	—	17,785	—
Deferred income tax assets		263,473		176,288	1
Other financial assets – non-current		41,796	—	66,073	—
Long-term prepayments for materials		1,310,401	4	1,791,500	6
		25,709,464	80	26,010,993	85
Total Assets	$	**32,269,595**	100	**31,169,902**	100

Liabilities and Stockholders' Equity		December 31, 2015	%	December 31, 2014	%
Current liabilities:			%		%
Short-term borrowings	$	1,150,000	3	750,000	3
Notes and accounts payable		1,337,461	4	974,128	3
Payables to related parties		339,609	1	82,500	—
Payroll and bonus payable		220,276	1	332,017	1
Other current liabilities		1,066,070	3	339,237	1
Revenue received in advance for sales		268,439	1	784,432	3
Provision – current		119,519	—	—	—
Current portion of long-term loans payable		65,587	—	666,667	2
		4,447,442	13	3,988,981	13
Non-current liabilities:					
Long-term loans payable		2,545,519	8	3,808,667	12
Liability reserve		427,000	1	427,000	1
Other liabilities – non-current		318,515	1	321,480	1
Revenue received in advance for sales – non-current		1,544,363	5	1,725,353	6
		4,835,397	15	6,282,682	20
Total Liabilities		9,282,839	28	10,271,663	33
Equity:					
Common stock		5,800,312	18	5,800,312	19
Capital surplus		18,614,691	58	16,995,509	55
Retained earnings:					
Legal reserve		259,628	1	220,409	1
Special reserve		513,302	2	160,330	1
Unappropriated earnings (accumulated deficits)		519,512	2	392,191	1
		1,292,442	5	772,930	3
Other equity		(2,550,828)	(8)	(2,670,512)	(10)
Tresury Stock		(169,861)	(1)	—	—
Total Equity		22,986,756	72	20,898,239	67
Total Liabilities and Equity	**$**	**32,269,595**	100	**31,169,902**	100

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Profit or Loss and Other Comprehensive Income
Years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars, except for earnings per share)

		2015	%	2014	%
Operating revenues:	$	11,915,968	100	9,175,737	100
Cost of goods sold		11,936,762	100	9,895,108	108
Gross loss		(20,794)	—	(719,371)	(8)
Operating expenses:					
Selling		49,275	—	35,529	—
General and administrative		147,319	1	118,231	1
Research and development		211,867	2	190,443	2
Total operating profit		408,461	3	344,203	3
Operating loss		(429,255)	(3)	(1,063,574)	(1)
Non-operating income and (expenses):					
Other income		21,852	—	16,558	—
Other gains and (losses)		58,280	—	161,402	2
Interest expense		(65,172)	(1)	(97,751)	(1)
Share of profit or loss of subsidiaries and associates accounted for using equity method		1,083,387	9	2,121,126	23
Total non-operating income and expenses		1,098,347	8	2,201,335	24
Profit from continuing operations before income tax		669,092	5	1,137,761	13
Income tax expense		134,255	1	9,316	—
Net profit (loss)		**534,837**	4	**1,128,445**	**13**
Other comprehensive income (loss)：					
Components of other comprehensive income that will not be reclassified to profit or loss					
Actuarial loss on defined benefit plans		(1,573)	—	(1,782)	—
Income tax related to components of other conprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations		26,536	—	44,274	—
Unrealized gain (loss) on available-for-sale financial assets		(18,507)	—	(196,282)	(2)
Share of other comprehensive income of subsidiaries and associates accounted for using equity method		98,692	1	(255,702)	(3)
Income tax related to other comprehensive income		(4,511)	—	(4,684)	—
Total other comprehensive income (loss), net of income tax		100,637	1	(414,176)	(5)
Total comprehensive income (loss)	$	**635,474**	**5**	**714,269**	**8**
Earnings per share (in dollars)					
Basic earnings (loss) per share	$	**0.93**		**2.06**	
Diluted earnings (loss) per share	$	**0.92**			

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Changes in Stockholders' Equity
Years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

			Retained Earnings				Other Equity					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Exchange differences on translation	Unrealized gain (loss) on available-for-sale financial assets	other	Total	Treasury stock	Total equity
Balance at January 1, 2014	$ 5,231,191	14,977,502	213,967	102,349	64,423	380,739	(1,489,219)	(802,589)	—	(2,291,808)	—	18,297,624
Net profit for 2014	—	—	—	—	1,128,445	1,128,445	—	—	—	—	—	1,128,445
Other comprehensive profit and loss	—	—	—	—	(50,667)	(50,667)	(172,185)	(191,324)	—	(363,509)	—	(414,176)
Total comprehensive profit and loss	—	—	—	—	1,077,778	1,077,778	(172,185)	(191,324)	—	(363,509)	—	714,269
Appropriation and distribution of retained earnings (Note1)												
Special reserve used to offset company losses	—	—	—	57,981	(57,981)	—	—	—	—	—	—	—
Legal reserve	—	—	6,442	—	(6,442)	—	—	—	—	—	—	—
Issuance of common share for acquisition	568,881	2,280,177	—	—	(685,587)	(685,587)	(8,206)	—	—	(8,206)	—	2,155,265
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees	—	22,696	—	—	—	—	—	—	—	—	—	22,696
Capital surplus cash dividend declared	—	(523,142)	—	—	—	—	—	—	—	—	—	(523,142)
Issuance of stock from exercising employee stock option	240	1,106	—	—	—	—	—	—	—	—	—	1,346
Difference of equity accounted investees	—	83,939	—	—	—	—	—	—	(6,989)	(6,989)	—	76,950
Proceeds from sales of subsidiaries' equity to non-controllig invest	—	153,231	—	—	—	—	—	—	—	—	—	153,231
Balance at December 31, 2014	5,800,312	16,995,509	220,409	160,330	392,191	772,930	(1,669,610)	(993,913)	(6,989)	(2,670,512)	—	20,898,239

Net profit for 2015	—	—	—	—	534,837	534,837	—	—	—	—	—	534,837
Other comprehensive income (loss)	—	—	—	—	(15,325)	(15,325)	209,540	(93,578)	—	115,962	—	100,637
Total comprehensive income (loss)	—	—	—	—	519,512	519,512	209,540	93,578	—	115,962	—	635,474
Appropriation and distribution of retained earnings (Note 2):												
Legal reserve	—	—	39,219	—	(39,219)	—	—	—	—	—	—	—
Special reserve	—	—	—	352,972	(352,972)	—	—	—	—	—	—	—
Treasure stock acquired	—	—	—	—	—	—	—	—	—	—	(169,861)	(169,861)
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees	—	12,303	—	—	—	—	—	—	—	—	—	12,303
Capital surplus cash dividend declared	—	(1,044,058)	—	—	—	—	—	—	—	—	—	(1,044,058)
Subscription of subsidiary capital income	—	873,509	—	—	—	—	—	—	—	—	—	873,509
Difference of equity accounted investees	—	11,403	—	—	—	—	—	—	3,722	3,722	—	15,125
Proceeds from sales of subsidiaries' equity to non-controllig invest	—	1,766,025	—	—	—	—	—	—	—	—	—	1,766,025
Balance at December 31, 2015	**$ 5,800,312**	**18,614,691**	**259,628**	**513,302**	**519,512**	**1,292,442**	**(1,460,070)**	**(1,087,491)**	**(3,267)**	**(2,550,828)**	(169,861)	**22,986,756**

Note 1: There was no directors' and supervisors' remuneration and employee bonuses.

Note 2: Remuneration of NT$11,000,000 for directors and NT$58,372,000 for employees have been deducted from comprehensive profit and loss table.

		2015	2014
Cash flows from operating activities:			
Income (loss) before tax	$	669,092	1,137,761
Adjustments：			
Adjustments for:			
Depreciation		894,326	515,271
Amortization		17,785	1,482
Provision for (reversal of) allowance for doubtful accounts		(114)	466
Interest expenses		65,172	97,751
Interest income		(6,128)	(4,847)
Dividend income		(15,724)	(11,711)
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees		12,303	22,696
Share of profit or loss of subsidiaries and associates accounted for using equity method		(1,083,387)	(2,121,126)
Loss from disposal and write-off of property, plant and equipment		4,297	(13,532)
Loss on non-financial asset impairment		192,377	444,256
Provision for (reversal of) inventory obsolescence and devaluation loss		32,182	1,317
Expense with no effect on cash flow		4,518	7,516
Total adjustments to reconcile income (loss) before tax		117,607	1,060,461
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets designated as at fair value through profit or loss		—	654
Notes and accounts receivable (including related parties)		(964,657)	251,403
Inventories		(592,150)	(156,553)
Prepayments for materials		534,050	720,568
Other current assets		2,868	119,323
Other financial assets		223	29,146
Total changes in operating assets		(1,019,666)	964,541
Changes in operating liabilities:			
Notes and accounts payable (including related parties)		620,442	(604,214)
Provision		—	(119,519)
Revenue received in advance for sales		(638,920)	(763,317)
Accrued pension liabilities		261	(1,791)
Accrued expenses and other current liabilities		(20,197)	31,072
Total changes in operating liabilities		(38,414)	(1,457,769)

Total changes in operating assets and liabilities	(1,058,080)	(493,228)
Total adjustments	(940,473)	(1,553,698)
Cash inflow (outflow) generated from operations	(271,381)	(415,928)
Interest received	6,063	4,847
Dividend paid	15,724	11,711
Interest paid	(66,600)	(101,446)
Net cash outflows used in operating activities	(316,194)	(500,816)

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Cash Flows (continued)
Years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

		2015	2014
Cash flows from investing activities:			
Acquisition of loan to related party	$	(179,675)	—
Acquisition of financial assets available for sale		—	(54,674)
Acquisition of financial assets carried at cost		(2,305)	(169,902)
Acquisition of equity-accounted investees		(799,373)	(423,145)
Acquisition of subsidiaries (excluding cash obtained)		—	904,023
Acquisition of property, plant and equipment		(1,887,495)	(206,752)
Disposal of property, plant and equipment		8,723	31,324
Dividends from equity-accounted investees		1,429,442	1,795,723
Increase in restricted certificate of deposit		21,733	12,182
Decrease in refundable deposits		2,544	96,306
Refund from capital reduction of subsidiaries		—	53,880
Net cash used in investing activities		(1,406,406)	2,038,965
Cash flows from financing activities:			
Increase (decrease) in other payables to related parties		—	(98,357)
Increase in short-term borrowings		400,000	(357,171)
Increase in long-term loans payable		1,599,000	800,000
Repayment of long-term loans payable		(3,467,746)	(864,116)
Payments of cash dividends		(1,044,058)	(523,142)
Stock option for employees		—	1,346
Proceeds from sales of subsidiaries' equity to non-controlling interest		4,223,828	620,625
Treasury stock acquired		(169,861)	—
Net cash flows from financing activities		1,541,163	(420,815)
Net decrease in cash and cash equivalents		(181,163)	1,117,334
Cash and cash equivalents at beginning of year		1,460,560	343,226
Cash and cash equivalents at end of year	$	**1,279,123**	**1,460,560**
Fair value of assets and (liabilities) of associates acquired:			
Cash and cash equivalents	$		904,023
Financial assets designated as at fair value through profit or loss			140,647
Notes and trade receivable, net			680,808
Inventory			341,412
Other current assets			55,964
Other current financial assets			29,386

Prepayment for materials		545,241
Equity-method investments		572,132
Property, plant and equipment		2,375,624
Intangible asset		19,267
Other assets－non-current		27,532
Other assets－non-current financial assets		131,451
Financial liabilities designated as at fair value through profit or loss		(139,993)
Notes and trade payable		(265,458)
Other current liabilities		(294,264)
Provision - non-current		(427,000)
Other liabilities－non-current		(300,891)
Exchange differences on translation of foreign financial Statements		8,206
Fair value of subsidiary's equity at acquisition date		4,404,087
Less: Fair value of associates before acquisition date		(2,240,616)
Issuance of new shares, consolidation		(2,163,471)
Cash proceeds from acquisition of associates		(904,023)
Acquisition of associates	$	**(904,023)**

December 31, 2015 and 2014
(Expressed in NT$ Thousand unless otherwise stated)

I. Company background

Sino-American Silicon Products Inc. (hereinafter referred to as "the Company") was incorporated in accordance with the Company Act of the Republic of China in January 1981; also, the Chunan Branch was established in June 2005 at No. 8. Industrial East Road 2, Hsinchu Science Park, Taiwan, R.O.C. for the R&D, design, production and sale of semi-conductor silicon materials and components, rheostats, optical and communications wafer materials; and also the related technology, management consulting business, and technical services of the photo-voltaic power system generation and installation.

The Company's stocks have been traded publicly at the Taipei Exchange (TPEx) since March 2001.

For the purpose of reorganization and professional division of work and enhancing competitiveness and business performance, a resolution was reached at the shareholders' meeting on June 17, 2011 to have the semiconductor business and sapphire business (including the related assets, liabilities and business operations), by the way of incorporation and partition, transferred to the Company's 100% owned subsidiaries, Globalwafers Co., Ltd. (hereinafter referred to as "Globalwafers") and Sino Sapphire CO., LTD (hereinafter referred to as "Sino Sapphire") with the base date of partition scheduled on October 1, 2011. The Company based on the net book value of the semi-conductor business shall pay a price of NT$38.50 per share for acquiring 180,000 thousand shares at NT$10 par value of Globalwafers; also, based on the sapphire business net assets shall pay a price of NT$40 per share for acquiring 40,000 thousand shares at NT$10 par value of Sino Sapphire.

A resolution merging with Sunrise Global Solar Energy Co., Ltd. (hereinafter referred to as "Sunrise Global") was reached by the Board of Directors on August 12, 2013 with the base date of merger scheduled on August 1, 2014. The Company is the surviving corporation and Sunrise Global will be discontinued after the merger.

Stocks of Globalwafers have been approved for public trading at Taipei Exchange (TPEx) since September 25, 2015, and at the same date have stopped being traded at ESM.

II. Financial statements approval date and procedure

The individual financial reports were approved for release by the Board of Directors on March 22, 2016.

III. Application of newly published and amended standards and interpretations

(I) The impact of not implementing the International Financial Reporting Standards approved and amended by the Financial Supervisory Commission (hereinafter referred to as the "FSC"):

The company has adopted the International Financial Reporting Standards (excluding IFRS 9 "Financial Instruments) version 2013 since 2015, as approved by the Financial Supervisory Commission to prepare financial statements. The new releases, modifications and amendments of the Standards and Interpretations by the International Accounting Standards Board (IASB) are summarized as follows:

Newly released / modified / amended standards and interpretations	The effective date announced by the IASB
Amendments to IFRS 1, “Limited exemption of the International Financial Reporting Standards No. 7 “Comparative Disclosure” to the initial adopters”	2010.7.1
Amendments to IFRS 1, “The removal of the fixed date for the initial user with severe inflation”	2011.7.1
Amendments to IFRS 1, “Government Loans”	2013.1.1
Amendment to IFRS 7, “Disclosure - Transfers of financial assets”	2011.7.1
Amendment to IFRS 7, “Disclosure - Offsetting of financial assets and financial liabilities”	2013.1.1
IFRS 10, “Consolidated Financial Statements”	2013.1.1 Investment entity took effect on January 1, 2014
IFRS No. 11, “Joint agreement”	2013.1.1
IFRS No. 12, “Disclosure of other entity’s equity”	2013.1.1
IFRS No. 13, “Measured at the fair value”	2013.1.1
Amendments to IAS 1, “Presentation of other comprehensive income accounts”	2012.7.1
Amendments to IAS 12, “Deferred income tax: Recovery of the subject assets”	2012.1.1
Amendments to IAS 19, “Employee benefits”	2013.1.1
Amendments to IAS 27, “Separate Financial Statements”	2013.1.1
Amendment to IAS 32, “Offsetting of financial assets and financial liabilities”	2014.1.1
IFRIC No. 20, “Stripping Costs in the Production Phase of a Surface Mine”	2013.1.1

The Company had assessed and concluded that the adoption of the IFRSs version 2013 would not cause any significant changes to the individual financial statements, except for the following items:

1. IFRS 10 “Consolidated Financial Statements”

   IFRS 10 replaced the original IAS 27 “Consolidated and Separate Financial Statements” in circumstances where the consolidated financial statements apply, and renamed IAS 27 as “Separate Financial Statements”, and superseded SIC-12 Consolidation – Special Purpose Entities to provide control with new definition. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

   The Company has complied with the above requirement and changed its accounting policy in order to determine whether to consolidate the investee according to its control power over the investee.

2. IFRS 12 “Disclosure of Interests in Other Entities”

   The requirements regarding the disclosures of equity in the subsidiaries, joint agreements, affiliated companies and structured entities that are not included in the consolidated financial statements in all accounting standards are consolidated into this Standard, including the information to be disclosed. The Company has complied with this Standard to increase the disclosure of subsidiaries and affiliated companies.

3. IFRS No. 13 “Fair Value Measurement”

   This Standard changes the definition of fair value measurement, provides a framework for measuring fair value and requires disclosures about fair value measurement. The Company has complied with the requirements to increase relevant disclosure of new fair value measurement (please refer to Note 6 (26)), and, pursuant to the requirement of transition period of this Standard, defer the adoption of this new Standard on fair value measurement. However the Company is not required to provide information on these new disclosures in comparable periods. Even though the Company has deferred the adoption of the new measurement since 2015, there is no significant impact on its assets or liabilities.

4. IFRS 1 “First-time Adoption of International Financial Reporting Standards”

   The standard amends the presentation of other comprehensive income and requires entities to separate items presented in other comprehensive income into two categories: “items that will not be reclassified subsequently to profit or loss”; and “items that will be reclassified subsequently to profit or loss”. The amendment also requires that the income before-tax amounts included in other comprehensive income be disclosed separately in accordance with the aforesaid two categories. The Company has changed the presentation of comprehensive income statements in compliance of this Standard.

5. Amendments to IAS 19, “Employee benefits”

   The main amendments to be made according to the Standards include determining the net interest by having the net defined benefit liability (asset) multiplied by the discount rate and using the net interest to replace the interest cost and expected return of plan assets prior to the amendment of the Standards; deleting actuarial gains and losses by adopting the “corridor approach” or the accounting policy on the accrual method to have it included in the profit or loss in a lump sum upon occurrence; also, having remeasurement of defined benefit plans (actuarial gains and losses) included in other comprehensive profit or loss upon occurrence and prior service costs recognized in the profit or loss upon occurrence instead of having it amortized as an expense in accordance with the straight-line method throughout the average period prior to complying with the vested conditions. In addition, a company should recognize severance benefits when it can no longer be revoked or when recognizing the related reorganization cost, whichever is sooner, instead of having severance benefits recognized as liabilities and expenses only when the commitment of resignation is confirmed. In addition, the amendments also require a broader disclosure in defined benefit plans. In addition, the amendments also require a broader disclosure in defined benefit plans.

   The Company has complied with the above requirements to change relevant accounting policy regarding the measurement and presentation of net defined benefit plans, pension costs and actuarial gains.

(II) Newly released IFRSs and SIC Interpretations that are not yet approved by the Financial Supervisory Commission (FSC):

IFRSs and SIC Interpretations issued by International Accounting Standards Board ("IASB") but not yet endorsed by the FSC as of the reporting date are summarized in the following table:

Newly released / modified / amended standards and interpretations	The effective date announced by the IASB
IFRS No. 9, "Financial instruments"	2018.1.1
Amendments to IFRS No. 10 and IAS No. 28 "Assets Sale or Purchase between Investor and the Affiliates or Joint Ventures."	to be determined by IASB
IFRS 10, IFRS 12, and IAS 28 Amendment "Investment entity: Application of the exceptions for consolidated financial statements"	2016.1.1
IFRS 11 Amendment "Acquisition of joint operation equity"	2016.1.1
IFRSs No. 14, "Regulatory Deferral Accounts"	2016.1.1
IFRSs No. 15, "Revenue from customer contracts"	2018.1.1
IFRS 16 Leases	2017.1.1
Amendments to IAS 1''Disclosure Initiative"	2016.1.1
Amendments to IAS 7''Disclosure Initiative"	2017.1.1
Amendments to IAS 12: "Deferred Taxes: Recovery of Underlying Assets"	2017.1.1
IAS 16 and IAS 38 Amendment "Introduction of acceptable depreciation and amortization methods"	2016.1.1
IAS 16 and IAS 41 Amendment "Production Plants"	2016.1.1
Amendment to IAS 19, "Defined benefit plan: employee contributions"	2014.7.1
IAS 27 Amendment "Equity Method of individual financial statements"	2016.1.1
Amendment to IAS 36, "Disclosure of the recoverable amount of non-financial assets"	2014.1.1
IAS 39 Amendment "Replacement of derivatives contracts and continuity of hedge accounting"	2014.1.1
Annual improvements in the periods of 2010-2012 and 2011-2013	2014.7.1
Annual improvements of IFRS in 2012-2014	2016.1.1
IFRIC 21, 'Levies'	2014.1.1

The Company is assessing the potential impact of the new standards and amendments above on the financial positions and performance of the Company and will make appropriate disclosure after the evaluation.

IV. Accounting policy summary

The significant accounting policies adopted in the individual financial statements are summarized as follows. Except of Note 3, the following accounting policies are applicable to the individual financial reports throughout the reporting period.

(I) Compliance statement

The individual financial report is prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by the Securities Issuers."

(II) Basis of preparation

1. Measurement basis

   The individual financial report has been prepared in accordance with the historical cost basis, except for the following important items in the balance sheet:

   (1) Financial instruments measured at the fair value through profit and loss;

   (2) Defined benefit liabilities are measured in accordance with the net amount of the pension fund assets minus the present value of the defined benefit obligations and the impact of the maximum amount referred to in Note 4 (17).

2. Functional currency and presentation currency

   Each entity of the Company operates in accordance with the local functional currency of the primary economic environment. The individual financial report is based on the Company's functional currency, the NT Dollar. All financial information expressed in NT Dollar is based on the monetary unit of NT$ Thousand.

(III) Foreign currency

1. Foreign currency transactions

   Foreign currency transactions are converted into the functional currency in accordance with the exchange rates prevailing on the transaction date. Foreign currency monetary items are converted into functional currency in accordance with the exchange rates prevailing on the reporting date (referred to herein after as reporting date). The exchange profit and loss is the difference between the amortized cost denominated in the functional currency at the beginning of the year with the current effective interest adjusted and paid, and the amortized cost denominated in foreign currency translated in accordance with the exchange rate of the reporting date.

   The non-monetary item in the foreign currency measured at fair value is converted into the functional currency in accordance with the exchange rate on the date the fair value is measured. The non-monetary item in the foreign currency measured at historical cost is translated in accordance with the exchange rate on the trading day.

   Except for when the exchange profit and loss of the available-for-sale financial assets is recognized in other profits or losses, the exchange profit and loss of the remaining assets is recognized in the profits or losses.

2. Foreign operation institutions

   The assets and liabilities of foreign operation institutions, including goodwill and fair value adjustments arising on acquisitions, are converted into the functional currency according to the exchange rate on the reporting date. Incomes and expenses are denominated in accordance with the current average exchange rate and with the exchange differences recognized in other comprehensive income.

(IV) Standards for classifying assets and liabilities as current and noncurrent

Assets in line with one of the following conditions are classified as current assets. Assets other than current assets are classified as non-current assets.

1. Assets that are expected to be realized in the Company’s regular operating cycle or with the intent to be sold or consumed;
2. Assets that are held for trading purposes;
3. Assets that are expected to be realized within twelve months after the balance sheet date;
4. Cash or cash equivalent, excluding the assets that are to be used for exchange or liquidating debts within twelve months after the balance sheet date or restrictive assets.

Liabilities in line with one of the following conditions are classified as current liabilities. Liabilities other than current liabilities are classified as non-current liabilities:

1. Liabilities that are expected to be settled within the regular operating cycle of the Company;
2. Assets that are held for trading purposes;
3. Expected to be settled within twelve months after the balance sheet date;
4. The liabilities for which the Company cannot unconditionally have the settlement deadline postponed for at least twelve months after the balance sheet date; No impact will be on classification of liabilities with terms determined by the counterparties that lead to settlement of the liabilities by issuing of equity instruments.

(V) Cash and cash equivalent

Cash includes cash on hand and demand deposits. Cash equivalent refers to short-term and highly liquidating investments that can be converted to a known amount of cash with very little risk of changes in value. Time deposits that meet the definition referred to above and that are for the purpose of fulfilling short-term cash commitments rather than investment or other purposes are reported as cash equivalent.

(VI) Financial instrument

Financial assets and financial liabilities are recognized when the Company becomes a party to the financial instrument contract.

1. Financial assets

The Company’s financial assets are classified as: accounts receivable and available-for-sale financial assets

(1) Available-for-sale financial assets

Such financial assets are designated as available-for-sale or specific category non-derivative financial assets. The financial assets are measured at fair value plus attributed transaction cost at initial recognition; the financial assets are subsequently measured at fair value. Except for impairment losses and dividend income recognized as gains or losses, the change in carrying amount is recognized in other comprehensive income and accumulated in the available-for-sale financial assets unrealized gain or loss under the shareholder's equity. When derecognizing, the cumulative amount of gain or loss under the shareholder's equity is reclassified under gains or losses; it is also reported in the "non-operating income and expense" account. The regular trade of financial assets is handled in accordance with the accounting treatment at the trading date.

If such financial assets are equity investments "without quoted market price and reliably measured fair value," it is measured at cost net of impairment loss and reported at "financial assets carried at cost" account.

Dividend income from equity investment is recognized on the date (usually on the ex-dividend date) when the Company is entitled to collect dividends; also, it is reported in the "non-operating income and expense" account.

(2) Accounts receivables

Accounts receivables are financial assets without a quoted market price and with fixed or determinable payment amount, including notes and accounts receivables and other receivables. It is measured at fair value plus directly attributed transaction cost at initial recognition. It is measured subsequently in accordance with the effective interest rate method and the amortized cost net of impairment loss, except for short-term receivables with insignificant interest recognized. The regular trade of financial assets is handled in accordance with the accounting treatment at the trading date.

Interest income is reported in the "non-operating income and expense" account.

(3) Impairment of financial assets

The impairment of the financial assets that is not measured at fair value through profit or loss should be assessed on each reporting date. When there is objective evidence indicating that the estimated future cash flow of the asset is with a loss due to one or more events that occurred after the financial assets recognized initially, the impairment of the financial assets has already occurred.

Objective evidence of impairment of financial assets includes significant financial difficulty of the issuer, the default (such as a delay in interest or principal payments or non-payment), and the disappearance of the active market for the financial assets due to financial difficulties. In addition, the significant or permanent fair value decline in the cost of the available-for-sale equity investments is also an objective evidence of impairment.

If the accounts receivable assessed individually is without any identified impairment, it should be jointly assessed for impairment. Objective evidence of impairment for a receivable portfolio could include the Company's experience in collection, the increase in delayed payments to the receivable portfolio exceeding the average credit period and the national or regional economic conditions and changes related to receivable arrears.

The recognized impairment loss of the financial assets measured at cost is the difference between the book value of the assets and the present value of the estimated future cash flow discounted at the market return rate on similar assets. Such impairment loss cannot be reversed in the subsequent period.

The impairment loss of all financial assets is directly deducted from the carrying amount of the financial asset; however, the carrying amount of accounts receivables is adjusted down with the allowance account. The accounts receivable that is determined to be uncollectible is written off against the allowance account. The amount recovered that was previously written off is credited to the allowance account. Changes in the carrying amount of the allowance account are recognized in the gains or losses.

If there is impairment loss of the available-for-sale financial instruments, the accumulated profits or losses previously recognized as other comprehensive income shall be reclassified as gain or loss.

The impairment loss of the available-for-sale financial instruments that was previously recognized in the gain or loss shall not be reversed and recognized in the gain or loss. The recovery in fair value of any impairment loss previously recognized is recognized in other comprehensive income and accumulated in the “other equity” account. If the recovery in fair value of available-for-sale liability instruments can be objectively linked to an event occurring after the impairment loss has been recognized in the gain or loss, it will be reversed and recognized in the gain or loss.

The loss and recovery of the bad debt of accounts receivable are reported as marketing expenses. The impairment loss and recovery of financial assets other than accounts receivables are reported in the “non-operating income and expense” account.

(4) De-recognition of financial assets

The Company’s financial asset is derecognized only when the contractual rights to the cash flows from the assets are terminated or when the financial assets have been transferred and nearly all of the risks and rewards related to the ownership of the financial assets have been transferred to other companies.

When having one single financial asset derecognized entirely, the difference between the carrying amount and the considerations received or receivable plus the amount recognized in the other comprehensive income and accumulated in the “Other equity-available-for-sale financial assets unrealized gain or loss” is recognized in the gains or losses and reported in the “non-operating income and expense” account.

When not having one single financial asset derecognized entirely, the Company has the carrying amount of the financial assets amortized to the continuing operation and discontinuing operation according to the respective fair value on the transfer day. The difference between the carrying value amortized to the derecognized operation and the considerations received from the derecognized operation plus the accumulated gain or loss recognized in the other comprehensive income amortized to the derecognized operation is recognized in the gain or loss and reported in the “non-operating income and expense” account. The accumulated gain or loss recognized in the other comprehensive income is amortized to the continuously recognized operation and derecognized operation according to the respective fair value.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equities

The Company's debt and equity instruments issued are classified as financial liabilities or equity in accordance with the definition of the contractual agreements.

Equity instrument refers to any contract underlying the Company's residual equity after deducting all liabilities from the assets. The equity instrument issued by the Company is recognized at the acquisition price net of the direct issue cost.

Interest and loss or gain related to financial liabilities are recognized in the gain or loss and reported in the "non-operating income and expense" account.

(2) Other financial liabilities

Financial liabilities include long-term and short-term loans, accounts payable and other payables. Financial liabilities are measured at fair value plus directly attributable transaction cost when initially recognized; subsequently, they are valued in accordance with the effective interest rate method and measured at the amortized cost. The interest expense that is not capitalized as an asset cost is reported in the "non-operating income and expense" account.

(3) Derecognition of financial liabilities

The Company's financial liability is derecognized when the contractual obligations have been performed, cancelled or expired.

When derecognizing financial liability, the difference between the carrying value and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in the gains or losses and reported in the "non-operating income and expense" account.

(4) Financial assets and liabilities offsetting

Financial assets and financial liabilities are offset and recognized in the balance sheet only when the Company has a legal right to do so and has the intention to have them cleared at a net value or has the asset cashed and the liability settled at the same time.

(VII) Inventory

Inventory is valued at a lower level than the cost or net of the realizable value. Costs include the acquisition, production or processing and other costs necessary to make the product available at the designed location and status, which is calculated in accordance with the weighted average method. The cost of finished goods and work-in-process goods includes the manufacturing cost that is amortized proportionately to the regular productivity.

The net realizable value is calculated in accordance with the estimated selling price in the course of business net of the costs needed to complete the project and the selling expenses.

(VIII) Investment in the affiliated companies

Affiliated companies refer to companies over which the Company has significant influence but without control or jointly control over their financial and operating policies.

The Company has accounted for equities in affiliated companies under the equity method. Under the equity method, investment is initially recognized at cost. Investment cost includes transaction cost. The carrying amount of investment in the affiliated companies includes the goodwill recognized at the initial investment and net of any accumulated impairment losses.

The individual financial report covers the period from the date the significant influence obtained to the date the significant influence ceased, after completing the adjustments consistent with the Company's accounting policy; recognize the gains or losses and the other comprehensive income of the investment in the affiliated companies proportionately to the equity ratio. When the affiliated companies have equity changes not related to gains or losses and other comprehensive income, as well as not impacting the Company shareholding in the affiliated companies, the Company shall recognize the equity changes attributed as paid in capital in proportion to the equity ratio of its investment in the affiliated companies.

The unrealized gains and losses arising from the transactions conducted between the Company and the affiliated companies have been offset within the scope of the investment in the invested company. The written-off unrealized loss is the same as the written-off unrealized gain but is limited to the circumstances when the impairment evidence is not available.

When the loss of the affiliated company to be recognized by the Company proportionately to the shareholdings is equal to or exceeds the Company's equity in the affiliated company, stop recognizing any loss. Recognize additional losses and related liabilities only upon the occurrence of a legal obligation, presumption of obligation or within the amount paid on behalf of the invested company.

In circumstance that the affiliated company issues new shares and the Company does not subscribe proportionately to its equity shares in the affiliated company, and that leads to changes of shareholdings and the increase/decrease of net equity of the investment, such increases or deceases shall be adjusted to the paid in capital under the equity method; if paid in capital is insufficient to cover such adjustment, the remaining balance shall be debited to the retained earnings. However if the Company does not subscribe proportionately to its equity shares in the affiliated company and that leads to the decrease of net equity of such investment, any amount associated with this affiliated company recognized previously as comprehensive income shall be reclassified proportionately to the decrease, and accounted with on the basis that the affiliated company is required to adopt and comply with the demands to dispose relevant assets or liabilities directly.

(IX) Investment in subsidiaries

The Company has the wholly-owned invested company valued under the equity method when preparing the individual financial reports. Under the equity method, the amortization amount attributable to the shareholders of the parent company from the gains or losses and other comprehensive income of the individual financial statements and the consolidated financial statements is the same. Moreover, the equity attributable to the shareholders of the parent company from the shareholder's equity of the individual financial report and the consolidated financial reports is the same.

If the change in the Company's ownership of the subsidiary does not lead to loss of control over the subsidiary, it is treated as an equity transaction conducted within the shareholders.

(X) Property, plant and equipment

1. Recognition and measurement

Recognition and measurement of property, plant and equipment is based on the cost model. The cost of property, plant and equipment is net of the accumulated depreciation and accumulated impairment. Cost includes expenditures directly attributable to assets acquisition. The cost of self-built assets includes raw materials and direct labor, direct attributable cost to have the assets available for the intended use, demolition, removal and restoration of the location, and the loan cost in line with the requirements of assets capitalization. Software acquired for integrating the function of the related equipment is capitalized as part of the equipment.

When property, plant, and equipment contains different components and the cost is relatively significant to the total cost of the item; also, when the use of a different depreciation rate or method is more appropriate, it should be treated as a separate item of the property, plant and equipment (a major component).

The gain and loss from the disposal of property, plant and equipment is determined according to the difference between the carrying amount and the disposal amount of the property, plant and equipment; also, it is recognized in the "non-operating income and expense" account at a net amount.

2. Subsequent cost

When the expected future economic benefits resulting from the subsequent expenditure for property, plant and equipment is likely to flow into the Company and when the amount can be measured reliably, the expenditure is recognized as part of the carrying amount of the item; also, the carrying amount of the replacement is derecognized. The routine repair and maintenance cost of property, plant and equipment is recognized in the gain or loss when it is incurred.

3. Depreciation

Depreciation is calculated in accordance with the asset cost net of residual value, the estimated years of useful life and the straight-line method. Each significant part of the asset is assessed. If the useful life of an integral part of the asset is different from the other parts of the asset, the unique part should be depreciated separately. The appropriated depreciation is recognized in the profit or loss.

No depreciation on land.

Estimated useful lives for the current and comparative periods are as follows:

(1) Real estate and building: 2~50 years
(2) Machinery equipment: 2~25 years
(3) Other equipment: 2~25 years
(4) The major parts of housing and construction include plant building, electrical power engineering and wastewater treatment systems, whose depreciation are appropriated in accordance with the useful life of 25~50 years, 25 years and 4~23 years, respectively.

Depreciation methods, years of useful life and residual values are reviewed at the end of each financial year. If the expected value is different from the estimates, it should be adjusted properly when necessary; also, the difference should be processed as changes in accounting estimates.

(XI) Lease

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance lease are initially recognized as assets of the Company at the fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Subsequently they are treated in a way pursuant to accounting policy relating to these assets.

The minimum finance lease payments should be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge should be allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability.

All other leases are classified as operating leases. The assets under such leases are not recognized in the Company’s balance sheet.

For operating leases (not including service charges such as insurance and maintenance fees), the lease payments are recognized as expenses in the income statement over the lease term on a straight-line basis.

(XII) Intangible Assets

1. Research and Development

Research phase refers to the activity conducted to acquire and understand new scientific or technological knowledge; also, the related expense is recognized in the gain or loss when they are incurred.

The expenditure accrued in the development phase that meets all the following conditions simultaneously is recognized as an intangible asset; however, if it does not meet all the following conditions, it is to be recognized in the gain or loss when incurred:

(1) Technical feasibility of the intangible asset is completed and the intangible asset is ready for use or sale.
(2) The intention is to have the intangible asset completed for use or sale.
(3) The Company is capable of using or selling the intangible asset.
(4) The intangible asset is likely to generate future economic benefits.
(5) The Company has sufficient technical, financial and other resources to complete this development and to use or sell the intangible asset.
(6) The expenditure attributable to the intangible asset development can be reliably measured.

2. Other Intangible Assets

The other intangible assets acquired by the Company are measured at cost, net of accumulated amortization and accumulated impairment.

3. Subsequent Expenditures

Subsequent expenditures that can help increase the future economic benefits of the specific assets can be capitalized. All other expenses are recognized in the profit or loss when incurred.

4. Amortization

The amortizable amount is the asset cost, net of residual value.

Except for goodwill, intangible assets from the state available for use is amortized in accordance with the straight-line method over the estimated useful life of 2~5 years; also, the amortization amount is recognized in the gains or losses.

Review the residual value, amortization period and amortization method for intangible assets at the end of the fiscal year and with the changes, if any, treated as a change in accounting estimates.

(XIII) Impairment of non-financial assets

The Company assesses the non-financial assets other than inventories and deferred income tax assets for any impairment on each reporting date; also, estimates the recoverable amount of the assets with an impairment evidence. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit that the asset belongs to in order to assess the impairment.

The recoverable amount is the fair value of an individual asset or the cash-generating unit net of the sale cost or value in use, whichever is higher. If the recoverable amount of an individual asset or cash-generating unit is lower than the book value, the book value of the individual asset or cash-generating unit is adjusted down to the recoverable amount with the impairment loss recognized. Impairment loss is recognized immediately in the gain or loss of the current period.

The Company reevaluates on each reporting day whether there are indications that the impairment loss of non-financial assets other than goodwill recognized previously have been eliminated or reduced If the estimates used to determine the recoverable amount are changed, the impairment loss should be reversed in order to increase the carrying amount of the individual asset or cash-generating unit to the recoverable amount; however, it shall not exceed the carrying amount of the individual assets or cash-generating unit in the prior period before recognizing the impairment loss but after appropriating the depreciation or amortization.

For the purposes of impairment testing, goodwill acquired through business mergers shall be amortized to the Company’s cash-generating units (or cash generating group) that are expecting to be benefited from the synergy of the merger. If the recoverable amount of the cash-generating unit is less than its book value, the impairment loss is applied to offset the carrying amount of the goodwill amortized to the cash-generating unit and then to the book value of the assets within the unit proportionately. The goodwill impairment loss recognized cannot be reversed in the subsequent period.

(XIV) Provision

The recognition of provision is due to the present obligations of the Company resulting from a past event that may require the outflow of economic resources in the future to settle the obligation and the amount of the obligation can be estimated reliably. Provision is discounted at the pre-tax discount rate that reflects the monetary time value and debt specific risk assessed by the market. The amortization of the discount is recognized as an interest expense.

Onerous contracts: When the Company expects to fulfill a contractual obligation that is inevitably with a cost exceeding the expected economic benefits from the contract, the liability reserve for the onerous contract should be recognized Such provision is measured at lower than the estimated cost of the terminated contract and the present value of the estimated net cost of the continued contract; also, recognize all impairment losses related to such assets before recognizing the liability reserve of the onerous contract.

(XV) Treasure Stock

The Company has the outstanding stock shares repurchased and classified as "Treasury stock" for the considerations (including the amount attributable to the cost) net of taxes paid and debited to the equity. If the disposal price of the treasury stock is higher than the carrying amount, the difference is classified as "Capital surplus – Treasury stock;" if the disposal price is lower than the carrying amount, the difference is applied to write off the capital surplus - treasury stock in the same category or debited to retained earnings, if there is an insufficient amount. The carrying amount of treasury stock is calculated in accordance with the weighted average method and is calculated separately in accordance with the reason for repurchase.

When the treasury stock is cancelled, the "Capital surplus – Treasury stock" is debited proportionately to the equity shares, the difference is applied to write off the capital surplus - treasury stock in the same category or debited to retained earnings, if there is an insufficient amount. If the carrying amount is lower than the sum of par value and the premium from issuing stocks, it shall be debited to the additional paid in capital from transactions of the treasury stock in the same category

(XVI) Revenue Recognition

1. Product Sales

The income from product sales in the course of business is measured at the fair value of the considerations received or receivable net of sales return, sales discount and volume discount. Income is recognized when persuasive evidence is available (usually a signed purchase order from the customers), the significant risks of ownership and considerations are transferred to the buyer, the proceeds are likely to be collected, the associated cost and possible sales returns can be estimated reliably, do not continue to be involved in instrument management and the amount of income can be measured reliably. If a discount is likely to occur and the discount amount can be measured reliably, it is credited to the income when the sale is recognized.

The timing for the transfer of risks and considerations depends on the individual term of the sales contracts.

2. Labor Services

The Company provides labor services to its customers. Labor service income is recognized in accordance with the percentage of completion on the reporting date.

3. Government Grants

Government grant obtained is recognized in each period in pursuant to the costs expected to incur in proportion to total costs in the "non-operating income and expense" account.

(XVII) Employee Benefits

1. Defined Contribution Plan

The appropriation obligation under the defined contribution plan is recognized as employee benefits expense in the gain or loss account throughout the employee's service period.

2. Defined Benefit Plan

The retirement benefit plan that is not a defined contribution plan is classified as a defined benefit plan. The Company's net obligation under the defined benefit plan is based on the present value of the future benefit amount earned by employees currently or previously in each benefit plan. Any unrecognized prior service cost and the fair value of the plan assets are deducted. The discount rate is based on the interest rate of the market yield rate of government bonds on the reporting date that is with a similar due date as the Company's net obligation deadline and denominated in the same currency as the expected benefit payment.

Enterprise's net obligation is calculated annually by a qualified actuary in accordance with the project unit credit method. When the calculation is favorable to the Company, recognized assets are limited to the present value of the total economic benefit to be derived from the unrecognized prior service cost, the refund to be collected from the plan, or the reduction of the appropriation for the plan. The minimum fund appropriation needed for any plan of the Company should be considered when calculating the present value of the economic benefits. If a benefit can be realized in the plan period or upon the liquidation of the plan liability, it is with economic benefit to the Company.

For the plan benefit that is improved due to the service provided by the employees, it is to be recognized in the gain or loss in accordance with the straight line method over the average vested period. If the benefits will be vested immediately, the expense related to the vested benefit should be immediately recognized in the gains or losses.

Remeasurements of the net defined benefit liability or asset, comprising: (1) actuarial gains and losses; (2) return on plan assets, but not including net interest on the net defined benefit liability or asset; and (3) changes in the effect of the asset ceiling, but not including the net interest on the net defined benefit liability or asset,

The remeasured net defined benefit liabilities are recognized in other comprehensive income. The Company had chosen to have amounts recognized in other comprehensive income to be transferred to the retained earnings.

The Company, when experiencing curtailment or settlement, should recognize the curtailment or settlement gain or loss of the defined benefit plan. Curtailment or settlement gains and losses include any changes in the fair value of any plan assets and changes in the present value of defined benefit obligations.

3. Short-term employee benefit

Short-term employee benefit obligation is measured on an undiscounted basis; also, it is recognized as an expense when the related service is provided.

For the short-term cash bonus or the amount expected to be paid of a bonus plan, if the Company has a legal obligation or presumption of obligation due to the services rendered by employees and the obligation can be estimated reliably, the amount is recognized as a liability.

(XVIII) Share-based payment transactions

For the share-based rewards to be paid to the employees, compensation cost should be recognized with the respective equity increased in accordance with the fair value on the payment date when the employees are entitled to the rewards, unconditionally. The compensation cost to be recognized is adjusted in accordance with the rewards in line with the expected conditions of service. The final compensation cost recognized is based on the rewards in line with the expected conditions of service on the payment date.

(XIX) Income Tax

Income tax expense includes current and deferred income tax. Except for the items related to a business merger or recognized directly in the equity or other comprehensive income, the current income tax and deferred income tax should be recognized in the profits or losses.

Current income tax includes the estimated income tax payable or tax refund receivable of the current taxable income (loss) calculated in accordance with the statutory tax rate on the reporting date or the substantive legislation tax rate and any adjustments to the tax payable of the previous years.

Deferred income tax is measured and recognized in accordance with the temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax basis. The temporary differences arising in the following circumstances will be without any recognized deferred income tax:

1. Assets or liabilities that are originally recognized in a transaction not attributable to a business merger; also, the transaction does not affect accounting profit and taxable income (loss).
2. It resulted from investing in subsidiaries and joint ventures; also, it probably won’t be reversed in the foreseeable future.
3. Initial recognition of goodwill.

Deferred income tax is measured in accordance with the tax rate in the expected asset realization or liability settlement period; also, it is based on the statutory tax rate or substantive legislation tax rate on the reporting date.

The Company will have financial assets and financial liabilities offset when complying with the following conditions:

1. With statutory right to offset financial assets and financial liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the taxable entities that are levied by the same tax authorities:
   (1) The same taxable entity; or
   (2) Different taxable entities, but each entity intends to settle current income tax liabilities and assets at a net amount or to realize assets and liquidate liability simultaneously when a significant amount of deferred tax assets is expected to be recovered and deferred tax liabilities are expected to be settled in each future period.

The unapplied tax losses and unapplied tax credits carried forward and deductible temporary differences are recognized as deferred income tax assets within the range of probable future taxable income available for use. The deferred income tax assets should be reassessed on each reporting date and should be adjusted down within the range of improbable income tax benefit.

(XX) Merger

The Company has goodwill measured in accordance with the fair value of the consideration paid on the transfer date, including any non-controlling equity attributable to the acquired company, less the identifiable assets acquired and liabilities assumed (usually, it is the fair value). If the balance after deduction is a negative value, the Company will have the purchase interest in a bargain recognized in the gains or losses after reassessing whether all the assets acquired and liabilities assumed have been properly identified.

Except for those related to debt issues or equity instruments, the transaction cost related to the merger must be recognized immediately as the Company's expense upon its occurrence.

Of the non-controlling interests in the acquiree, for present ownership interests that entitle holders to a proportionate share of the entity's net assets in the event of a liquidation, the Company have them measured on a transaction by transaction basis, either at their fair values on the acquisition date or the value of the present ownership instrument's proportionate share of the acquiree's net identifiable assets recognized. Other components of non-controlling interests must be measured at acquisition date fair values or in accordance with other applicable IFRSs.

For a merger in progress, the Company will have the fair value of the equity of the acquired company re-measured on the acquisition date and with the relevant profit or loss, if any, recognized in the gain or loss. For the changes in the acquired company's equity value that were recognized in other gains or losses prior to the acquisition date, the Company shall have it handled pursuant to the same manner as having the equity disposed of directly. If the equity at the time of disposition should be reclassified as gains or losses, the amount should be reclassified as gains or losses.

If the original accounting process of the merger is not yet completed prior to the end of the merger reporting period, the Company may have the pending accounting items reported in a provisional amount; also, the provisional amount must be adjusted retro-actively throughout the measurement period or should have additional assets or liabilities recognized to reflect the information of the existing facts and status of the acquisition date throughout the measurement period. The measurement period shall not be more than one year from the acquisition date onwards.

The consideration transferred is measured at fair value of the acquisition date. After the acquisition date, if there is any change in the fair value of the consideration within the measurement period, the acquisition costs should be retroactively adjusted and the goodwill also adjusted accordingly. The adjustment made within the measurement period is informed by existing facts and circumstances obtained by the Company after the acquisition date. The measurement period is less than a year if counting from the acquisition date. For adjustment of change in fair value of the consideration not within the measurement period, the accounting treatment is subject to the classification of the consideration. No remeasurement should be applied to considerations classified as equity, and the subsequent settlement should be adjusted in the equity. For contingent considerations classified as assets or liabilities, the change of fair value is either recognized in gains or losses or other comprehensive income.

(XXI) Earnings per share

The Company illustrated the basic and diluted earnings per share attributable to the common stock shareholders. Basic earnings per share is calculated by having the gain or loss attributable to the Company's common stock shareholders divided by the weighted average number of the outstanding common stock shares during the period. Diluted earnings per share is calculated by having the gain and loss attributable to the Company's common stock shareholders and the weighted average number of common stock shares outstanding adjusted for the effects of all potential diluted common stock shares, respectively. The Company's potential diluted common stock includes stock options of employees and stock dividends of employees that are yet to be resolved in the shareholders' meeting.

(XXII) Segment Information

The Company has the segment information disclosed in the consolidated financial statements; therefore, it will not be disclosed in the individual financial statements.

(XXIII) Reason and effect for accounting changes

The Company had the useful life of the manufacturing equipment reviewed in 2014, with the useful life adjusted from the original 4~6 years to 8 years in order to reasonably reflect future economic effect of the assets.

The impact of the changes in estimates referred to above on the depreciation expense is recognized in the cost of goods sold; also, the impacts on current and future periods are as follows:

	2015	2016	2017	2018	2019	2020	thereafter
Increase (decrease) of depreciation expenses	$ (523,751)	(334,083)	(37,505)	161,628	284,712	248,026	200,973

V.Materials accounting judgment, estimates and main source of assumption uncertainties

The management, when preparing the individual financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms”, must make judgments, estimates and assumptions which will affect the adopted accounting policies and the assets, liabilities, revenues and expense amounts. The actual results could differ from those estimates.

The management is to continue examining the estimates and underlying assumptions. Changes in accounting estimates are to be recognized during the affected and future periods.

The uncertainties of assumptions and estimates are with high risks causing material adjustments in the following year. Please refer to the following notes:

(I) Note 6 (VIII) Impairments assessment of property, plant, and equipment

(II) Note 6 (XIII) Provision

The Company’s accounting policies and disclosure has adopted the fair value to measure its financial, non-financial assets and liabilities. The Company’s financial and accounting departments are responsible for the independent verification of fair value with independent information source on the valuation result to match the market status, as well as to ensure that the sources are independent, reliable, and consistent with other resources and represent executable prices. The Company also regularly calibrates the valuation model and conducts retroactive test updating input values desired by the valuation model and making necessary adjustments to fair value to ensure the results of the valuation are reasonable.

While measuring its assets and liabilities, the Company uses the observable market input values as much as possible. The definition of each fair value category is pursuant to the input values used by valuation techniques summarized as follows:

- Level I: The market quoted price of the identical assets or liabilities (unadjusted);
- Level II: In addition to the quoted prices included in Level I, the input parameters of the assets or liabilities can be observed directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level III: Input parameters of the assets or liabilities are not based on the observable market data (non-observable parameters)

In case there is movement between fair value hierarchy, the consolidated companies should recognize such movement at the reporting date. For relevent information regarding assumptions of fair value measurement adopted please see note 6(26) Financial instruments as follows.

VI. Important accounting items

(I) Cash and cash equivalents

	2015.12.31	2014.12.31
Cash	$ 522	498
Bank deposits	1,278,601	763,762
Deposit account	-	696,300
Cash and cash equivalents in the Statement of Cash Flow	$ 1,279,123	1,460,560

Please refer to Note 6 (26) for the disclosure of the Company's interest rate risk and sensitivity analysis of financial assets and liabilities.

(II) Notes receivable and accounts receivable - net

	2015.12.31	2014.12.31
Notes receivable	$ 56,352	5,735
Accounts receivable	1,282,780	1,153,998
Less: Allowance for bad debt	(49,244)	(49,358)
	$ 1,289,888	1,110,375

Changes in allowance for bad debt of accounts receivable on 2015 and 2014 are as follows:

	2015.12.31	2014.12.31
Balance as of January 1	$ 49,358	4
Assumed by the merger	-	48,888
Impairment loss recognized (reversed)	(114)	466
Balance as of December 31	$ 49,244	49,358
Individual assessment of impairments	$ 48,888	48,888
Collective assessment of impairments	356	470
	$ 49,244	49,358

The aging analysis of the Company's overdue receivable (including related parties) on the reporting date is as follows:

	2015.12.31		2014.12.31	
	Total amount	Impairment	Total amount	Impairment
Overdue 31-60 days	$ 2,393	356	407	61
Overdue 61-90 days	-	-	2,722	409
Overdue for over 1 year	48,888	48,888	48,888	48,888
	$ 51,281	49,244	52,017	49,358

The Company's average credit period for product sales is 0-120 days. Allowance for bad debt of accounts receivable is for recording bad debt expense and primarily based on the historical payment behavior, the customer's credit rating and the aging information to estimate the uncollectible amount.

As of December 31, 2015 and 2014, the Company's accounts receivable had not been provided as collateral.

(III) Inventories

	2015.12.31	2014.12.31
Finished goods	$ 2,940	-
Finished goods	941,911	527,404
Work-in-process goods	133,174	170,908
Raw materials	784,623	582,629
Supplies	132,548	106,836
	$ 1,995,196	1,387,777

Component of operating cost are as follows:

	2015	2014
Cost of goods sold	$ 11,557,286	9,144,501
Appropriation for inventory loss in valuation	32,182	1,317
Unamortized fixed manufacturing expense	169,755	305,034
Loss on purchase agreement	177,539	444,256
	$ 11,936,762	9,895,108

As of December 31, 2015 and 2014, the Company's inventories had not been provided as collateral.

(IV) Available- for-sale financial assets – non-current

	2015.12.31	2014.12.31
Stock of listed company - Solartech	$ 598,453	619,089
OTC Stocks – Actron Technology Corporation	241,677	239,548
	$ 840,130	858,637

As of December 31, 2015 and 2014, the Company's financial assets referred to above had not been provided as collateral.

The impact of the changes in equity securities price (two-period analysis is on the same basis and assumes that other factors remain constant) in the reporting date on other comprehensive income:

Securities price on the reporting date	2015	2014
Up 10%	$ 84,013	85,864
Down 10%	$ (84,013)	(85,864)

(V) Financial valued at the cost - noncurrent

	2015.12.31	2014.12.31
Equity investment	$ 891,138	888,833
The cumulative amount of impairment loss recognized	(79,336)	(21,510)
	$ 811,802	867,323

Cumulative impairments changes are as follows:

	2015	2014
Cumulative impairments - beginning	$ 21,510	21,510
Provided this period	57,826	-
Cumulative impairments - ending	$ 79,336	21,510

The Company's stock investment referred to above is measured at cost, net of impairment loss on the reporting date. As the fair value is with a broad range of reasonable estimation and the probability of estimations cannot be reasonably assessed the management of the Company believes that the fair value cannot be reliably measured.

In line with business strategy and taking into consideration the industry upstream and downstream longitudinal integration and strategies layout, the Company increased investment in Sunshine PV Corp. (Sunshine) by NT$21,455 thousand in 2014; also, with the resolutions reached at the board meeting had increased investment in Powertec Energy Corporation (Powertec) by NT$76,936 thousand and in Accu Solar Corporation (Accu) by NT$86,097 thousand. After the additional investment in Accu Solar Corporation referred to above, the Company's shareholding ratio was increased from 11.22% to 24.70%, with significant influence over Accu Solar Corporation; therefore, the financial assets of Accu Solar Corporation that was measured at cost was transferred to the investment under the equity method. Please refer to Note 6 (VI) for instructions.

As of December 31, 2015 and 2014, the Company's financial assets referred to above had not been provided as collateral.

(VI) Investment under the equity method

The Company's investments under the equity method on the reporting date were as follows:

	2015.12.31	2014.12.31
Subsidiary	$ 13,552,934	14,229,407
Affiliated companies	1,606,867	2,004,864
	$ 15,159,801	16,234,271

1. Subsidiary

Please refer to the 2015 consolidated financial statements.

2. Affiliated companies

Names of affiliated companies	Relationship with the Company	Main location/ country registered in	Percentage of equity ownership and voting rights	
			2015.12.31	2014.12.31
Crystalwise Technology Inc (referred as Crystalwise)	Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material.	Taiwan	40.38%	40.45%
Accu Solar Corporation	Solar cell module manufacturing	Taiwan	24.70%	24.70%

1. The fair values of affiliated companies that are significant to the Company and listed in the ESM are as follows:

	2015.12.31	2014.12.31
Crystalwise Technology Inc.	$ 1,022,421	2,278,175

Company, with adjustments made to include amounts reported by the affiliated companies in their individual financial reports prepared in a way pursuant to IFRSs so as to reflect adjustment on the fair value when acquiring shares of the affiliated companies and the adjustment of difference in accounting policy.

Financial Summary of Crystalwise

		2015.12.31	2014.12.31
Current Assets	$	2,164,611	2,258,036
Non-Current Assets		3,408,441	3,272,735
Current Liabilities		(1,478,402)	(1,391,705)
Non-Current Liabilities		(1,037,647)	(144,663)
Net Assets		3,057,003	3,994,403
Net assets attributed to non-controlling equities	$	30,061	46,155
Net assets attributed to owner of the investee company	$	3,026,942	3,948,248

		2015	2014
Revenues	$	2,181,316	2,507,151
Operating profit (loss) from continuing operations		(747,235)	86,683
Income and loss from discontinued operations		(136,772)	(44,404)
Other comprehensive income		(17,568)	40,400
Total comprehensive income	$	(901,575)	82,679
Total comprehensive income attributed to non-controlling equities	$	11,598	12,963
Total comprehensive income attributed to owner of the investee company	$	(913,173)	69,716

		2015	2014
The Company's shares of net assets of the affiliated company at beginning of period	$	1,892,671	1,475,653
New investment in this period and changes of net equity for affiliated companies under the equity method		5,521	389,539
Total revenues attributed to the Company this period		(394,214)	(55)
Total Comprehensive Income attributed to the Company this period		(6,235)	27,534
Dividends received from affiliated companies in this period		(10,182)	-
The Company's shares of net assets	$	1,487,561	1,892,671

of the affiliated companies at end of period

(2) For affiliated companies under equity method that are not material to the Company, the financial information is summarized as follows. Such financial information represents the amount contained in the Company's individual financial reports:

	2015.12.31	2014.12.31
The summarized carrying amounts of equity of the immaterial affiliated companies at end of period	$ 119,306	112,193

The Company does not share any contingent liabilities of the affiliated companies with other investors or have contingent liabilities arising from assuming the liability of the affiliated companies.

As of December 31, 2015 and 2014, the Company's investments under the equity method had not been provided as collateral.

(VII) Changes of equities in the subsidiaries

1. Acquisition of subsidiaries

The Company paid NT$165,358 thousand in cash in May 2013 to acquire 3.47% stock shares of Sunrise Global Solar Energy Co., Ltd. In addition, the Company had acquired a 32.25% stock share in Sunrise Global Solar Energy Co., Ltd., with significant control over it after the merger with Sino-Solar Corp on August 1, 2013. The Company's equity in Sunrise Global Solar Energy Co., Ltd. was increased from 15.23% to 50.95%. Sunrise Global Solar Energy Co., Ltd. was engaged in the production and sale of photo-voltaic solar cells. The Company for the vertical integration of the photo-voltaic solar business group and enhancing operational performance and competitiveness intends to merge Sunrise Global Solar Energy Co., Ltd., where the Company had held a 50.95% stock share. The Company will continue to operate after the merger. The proposal for the merger was approved at the board meeting on August 12, 2013 by both companies independently. Sunrise Global Solar Energy Co., Ltd. may have 2.16 common stock shares exchanged for 1 common stock share of the Company. An additional 56,888 thousand shares were issued for the capitalization arising from the merger and there were 580,007 thousand shares outstanding after the merger. The merger was resolved at the special shareholders' meeting of Sunrise Global Solar Energy Co., Ltd. on September 30, 2013. Sunrise Global Solar Energy Co., Ltd. was dissolved after the merger. The Company's Chairman was authorized to have the base date of the merger scheduled on August 1, 2014 with Sunrise Global Solar Energy Co., Ltd. and thus the merger process was completed.

The Company had issued new shares to merge Sunrise Global Solar Energy Co., Ltd. If the change in the equity of the parent company in subsidiaries does not result in a loss of control, it should be handled as an equity transaction, in other words, it is handled as an equity transaction. In such cases, the carrying amount of the controlling and non-controlling equity should be adjusted to reflect the changes of their relative equity in the subsidiaries. The difference between the adjusted amount of the non-controlling equity in Sunrise Global Solar Energy Co., Ltd. and the fair value of the consideration paid should be directly recognized as equity and attributable to the shareholders' equity of the parent company.

According to the requirements referred to above, the Company issued 56,888 thousand shares and paid NT$2,878,537 thousand for the consideration in accordance with the closing price of NT$50.6/share on the base date of the merger; also, after deducting capital stock of NT$568,881 thousand, there was capital surplus - stock premium for NT$2,309,656 thousand documented. The Company had Sunrise Global Solar Energy Co., Ltd. consolidated on the base date of the merger according to the book value of the net assets for NT$4,404,087 thousand. The book value of NT$2,240,616 thousand of Sunrise Global Solar Energy Co., Ltd. originally held by the Company was de-recognized and the difference of NT$715,066 thousand from the consideration paid for the new shares issued was debited to the carrying amount of the non-controlling equity accordingly referred to above; also, the difference from the transfer consideration should be adjusted to the capital surplus (if there was insufficient capital surplus of the same type of transaction, it should be debited to retained earnings). Therefore, the Company first wrote off "3230 Capital surplus – difference between the actual acquisition or disposition of subsidiaries and book value" for NT$29,479 thousand and the insufficient amount of NT$685,587 thousand was debited to "retained earnings."

Please refer to the Consolidated Financial Statements for the transfer consideration, the identifiable assets acquired and the liabilities assumed on the acquisition date.

2. Disposing part of the subsidiary's equity without losing control

The Company has disposed 1%, 14% and 1% shares of Globalwafers Co., Ltd in January, September and October for NT$271,505 thousand, NT$3,786,771 thousand and NT$165,552 thousand respectively. The Company had 1.68% and 2% equity in Globalwafers Co., Ltd. disposed of on June 30, and October 22, 2014 for an amount of NT$239,625 thousand and NT$381,000 thousand, respectively.

The impact of the changes in the Company's shareholding of Globalwafers Co., Ltd. is as follows:

	2015	2014
The consideration received from the non-controlling equity	$ 4,223,828	620,625
The carrying amount of the non-controlling equity disposed of	(2,457,803)	(467,394)
Capital surplus - the spread between the equity buying/selling price and carrying amount	$ 1,766,025	153,231

3. The Company did not subscribe in proportion to the shares issued by the capital increase of the subsidiaries. However, this did not result in its losing of control.

The subsidiary of the Company Globalwafers Co., Ltd. had its capital increased in 2015, and all shares issued were subscribed by the non-controlling interests for NT$3,291,676 thousand. The Company did not subscribed the shares in proportionate to its shareholdings. The change of the Company's equity investment in Globalwafers Co., Ltd. has the following impact on the equity interests attributed to the parent company:

	2015
The increase in equity the Company is entitled to after the issuance of new shares by the subsidiary.	$ 873,509
Capital surplus - From share of changes in equities of subsidiaries	**$ 873,509**

(VIII) Property, plant and equipment

1. Changes in the cost, depreciation and impairment loss of the Company's real estate, property, plant and equipment are as follows:

	Land	Building	Machinery equipment	Other equipment	Construction in progress and quarantined equipment	Total
Cost:						
Balance – 1/1/2015	$ 2,380	3,025,269	8,445,555	1,519,989	265,941	13,259,134
Additions	-	16,733	162,190	40,697	1,967,115	2,186,735
Disposal	-	(111,753)	(662,112)	(146,190)	-	(920,055)
Reclass	-	1,652	506,889	17,021	(535,408)	(9,846)
Balance – 12/31/2015	**$ 2,380**	**2,931,901**	**8,452,522**	**1,431,517**	**1,697,648**	**14,515,968**
Balance – 1/1/2014	$ -	2,523,933	5,810,231	943,639	42,533	9,320,336
Acquired through business merger	2,380	479,709	2,576,700	568,666	206,128	3,833,583
Additions	-	21,627	211,179	24,168	38,888	295,862
Disposal	-	-	(152,555)	(16,484)	(21,608)	(190,647)
Balance – 12/31/2014	**$ 2,380**	**3,025,269**	**8,445,555**	**1,519,989**	**265,941**	**13,259,134**
Depreciation and impairment loss:						
Balance – 1/1/2015	$ -	989,528	5,806,359	464,071	-	7,259,958
Current depreciation	-	175,798	621,861	96,667	-	894,326
Disposal	-	(111,753)	(652,871)	(145,907)	-	(910,531)
Reclassification	-	(603)	(2,921)	(6,322)	-	(9,846)
Balance – 12/31/2015	**$ -**	**1,052,970**	**5,772,428**	**408,509**	**-**	**7,233,907**
Balance – 1/1/2014	$ -	664,499	4,473,214	300,262	-	5,437,975
Assumed through business merger	-	158,738	1,206,733	92,488	-	1,457,959

	Land	Building	Machinery equipment	Other equipment	Construction in progress and quarantined equipment	Total
Current depreciation	-	166,291	261,355	87,625	-	515,271
Disposal	-	-	(134,943)	(16,304)	-	(151,247)
Balance – 12/31/2014	$ -	989,528	5,806,359	464,071	-	7,259,958
Carrying amount:						
December 31, 2015	$ 2,380	1,878,931	2,680,094	1,023,008	1,697,648	7,282,061
January 1, 2014	$ -	1,859,434	1,337,017	643,377	42,533	3,882,361
December 31, 2014	$ 2,380	2,035,741	2,639,196	1,055,918	265,941	5,999,176

2. Guarantees

Please refer to Note 8 for the guarantees of long-term loan as of December 31, 2015 and 2014 in details.

(IX) Intangible assets

Costs and amortization of intangible assets of the Company are listed as follows:

	2015	2014
Balance as of January 1	$ 17,785	-
Acquired through business merger	-	19,267
Current amortization	(17,785)	(1,482)
Balance as of December 31	$ -	17,785

The amortization expense of intangible assets was reported in the operating cost of the statement of comprehensive income for the amount of NT$17,785 thousand and NT$1,482 thousand in 2015 and 2014 respectively.

As of December 31, 2015 and 2014, the Company's intangible assets had not been provided as collateral.

(X) Short-term loans

	2015.12.31	2014.12.31
Unsecured bank loans	$ 1,150,000	750,000
The unutilized credit amount	$ 1,382,720	1,954,800
Loan interest rate interval at end of period	1.13%~1.15%	1.12%~1.14%

(XI) Long-term loan

Details, terms and conditions of the Company's long-term loan are as follows:

2015.12.31

	Currency	Interest rate interval at end of period	Contract period	Amount
Syndicated loan granted by the Taiwan Cooperative Bank	NTD	1.68%	102.05.09~107.05.09	$ 662,106
Taiwan Cooperative Bank	NTD	1.50%	104.07.21~107.07.21	300,000
CITIC Bank	NTD	1.45%	104.10.31~106.10.31	350,000
Bank of Taiwan	NTD	1.35%	104.09.23~107.09.23	300,000
JihSun Bank	NTD	1.45%	104.10.15~106.10.15	199,000
Taipei Fubon Bank	NTD	1.43%	104.12.14~106.12.14	100,000
EnTie Bank	NTD	1.35%	104.06.11~106.06.11	300,000
KGI Bank	NTD	1.37%	104.02.17~106.02.17	400,000
Total				$ 2,611,106
Current				$ 65,587
Non-current				2,545,519
Total				$ 2,611,106
The unutilized credit amount				$ 1,201,000

2014.12.31

	Currency	Interest rate interval at end of period	Contract period	Amount
Syndicated loan granted by the Taiwan Cooperative Bank	NTD	1.68%	102.05.09~107.05.09	$ 2,925,334
Taiwan Cooperative Bank	NTD	1.50%	102.06.28~105.06.28	400,000
CITIC Bank	NTD	1.55%	103.10.31~105.10.31	350,000
Mega Bank	NTD	1.50%	103.07.06~105.07.05	300,000
China Development Bank	NTD	1.40%	103.02.25~105.02.25	200,000
Taipei Fubon Bank	NTD	1.51%	103.12.16~105.12.16	300,000
Total				$ 4,475,334
Current				$ 666,667
Non-current				3,808,667
Total				$ 4,475,334
The unutilized credit amount				$ 700,000

The Company had a syndicated loan signed with the Cooperative Bank and the other five banks on May 6, 2013 for a credit line of NT$4,000,000 thousand. According to the contract signed, the Company during the loan period must maintain a specific current ratio, debt ratio, times interest earned ratio and net value on the consolidated financial statements of the audited year and on the consolidated financial statements of the second quarter reviewed.

If some of the Company's financial ratios failed to meet the requirements referred to above, an application for exemption should be filed with the banks according to the contract with the non-conformity and root causes and the corrective action to be taken stated for the review of the syndicate banks. For any breach of contract confirmed, the banks may require repayment for the utilized loans.

According to the provisions of the contract referred to above, if the actual credit amount used by the Company in the expected implementation date is less than the amount expected, the Company is to have the commitment fee for the outstanding credit line calculated and paid in accordance with 0.1%~0.2% of the annual fee. As of December 31, 2015, the Company had such credit line utilized in accordance with the contractual schedule without the need to pay for the commitment fee.

The Company's 2015 consolidated financial report is in compliance with the financial ratio limits.

Please refer to Note 8 for the Company's assets pledged as collateral for bank loans.

(XII) Finance lease liability

The Company had part of the property, plant and equipment acquired through a financial lease with the finance lease liability payable booked in the "Other current liability" and "Other non-current liability" as follows:

	2015.12.31		
	Future minimum lease payment	**Interest**	**The present value of the minimum lease payment**
Within 1 year	$ 19,492	11,197	8,295
1~5 years	77,968	41,355	36,613
Over 5 years	301,234	57,413	243,821
	$ 398,694	**109,965**	**288,729**

	2014.12.31		
	Future minimum lease payment	**Interest**	**The present value of the minimum lease payment**
Within 1 year	$ 19,492	11,515	7,977
1~5 years	77,968	42,756	35,212
Over 5 years	320,726	67,209	253,517
	$ 418,186	**121,480**	**296,706**

The Company had merged the financial lease liability of Sunrise Global Solar Energy Co., Ltd. on August 1, 2014, which was for the land lease contract signed with the Industries Development Bureau MOEA in October 2007 to lease the Li-Kong Section of the Lize Industrial Park. According to the contract signed, upon expiration of the lease, the Company may have the rent that was paid throughout the lease period converted as payment for buying the land according to the market price at the time of signing the contract.

(XIII) Provision

Changes in the Company's provisions are as follows:

		Onerous contract
Balance – 1/1/2015 (i.e. beginning balance)	**$**	**427,000**
Balance – 1/1/2014	$	119,519
Provision for merger		427,000
Current provision reversed		(119,519)
Balance – 12/31/2014	**$**	**427,000**

The onerous contract appropriated by the Company was for the long-term silicone material supply contract signed with the supplier. The parties to the contract have agreed to have the supply volume and price fulfilled completely from January 1, 2006 to December 31, 2019. The Company is to pre-pay the supplier for the materials purchased with payment by installments that are non-refundable; also, the transaction is irrevocable. The materials supplier guarantees to have the agreed quantities of silicon materials supplied to the Company. In response to the current market price volatility, the Company has the contractual price re-negotiated with some of the silicon suppliers or negotiated with some of the suppliers for the current purchase price in accordance with market conditions in order to adjust the average purchase price. However, the long-term purchase of the raw materials contract price adjustment is still under negotiations with some of the suppliers; therefore, the Company has the relevant liability reserve appropriated. Please refer to Note 9 for the notice of the silicone suppliers requesting the Company to perform the contract.

(XIV) Operating lease

Lease of lessee

The rent payment of the irrevocable operating leases is as follows:

		2015.12.31	2014.12.31
Within 1 year	$	31,320	8,436
1~5 years		121,795	31,148
Over 5 years		142,359	48,050
	$	**295,474**	**87,634**

The operating lease expense reported in gain or loss was NT$23,002 thousand and NT$10,783 thousand in 2015 and 2014, respectively.

The company leased the plant from Globalwafers Co., Ltd. The lease term is from October 1, 2011 to December 31, 2016 for an annual rent of NT$816 thousand.

The base of the Company's plant located in Chunan Science Park is the rental from the Administration of the Science Park for a period from March 17, 2005 to December 31, 2027. According to the contract signed, the rent is to be adjusted in accordance with the adjustments of the land price announced by the government and for an annual rent of NT$7,750 thousand.

The Company leases the land and the building from its related party for the expansion of production capacity and plans. The lease term commences in June 2015 and expires in July 2025, running for a total of ten years. Pursuant to the lease term, the rent is reviewed every two years. The rent payment is around NT$1,890 thousand per month.

(XV) Employee benefits

1. Defined benefit plan

The present value of the Company's defined benefit obligations and the fair value of the plan assets are adjusted as follows:

		2015.12.31	**2014.12.31**
The total present value of defined benefit obligations	$	(45,676)	(42,939)
The fair value of plan assets		11,081	10,149
The net defined benefit liabilities	**$**	**(34,595)**	**(32,790)**

The Company's defined benefit plans are appropriated to the labor pension reserve account at the Bank of Taiwan. The pension payment to each employee who is under the Labor Standards Act is calculated in accordance with the service points received for the years of service and the average salary six months prior to retirement.

(1) Plan assets composition

The pension fund appropriated by the Company in accordance with the Labor Standards Act is managed collectively by the Bureau of Labor Funds, Ministry of Labor (hereinafter referred to as the "Bureau of Labor Funds"). According to the "Rules Governing the Income and Expense Safekeeping and Utilization of Labor Pension Fund," the minimum earnings of the fund shall not be less than the earnings calculated at the two-year time deposit interest rate of the local bank.

The Company's pension reserve account at the Bank of Taiwan amounted to NT$11,081 thousand on December 31, 2015. The Labor Pension Fund asset implementation information includes fund returns rate and fund asset allocation. Please refer to the information published on the website of the Ministry of the Bureau of Labor Funds, Ministry of Labor.

(2) Changes in the present value of the defined benefit obligation

Changes in the present value of the Company's defined benefit obligations in 2015 and 2014 are as follows:

		2015	**2014**
Defined benefit obligations – 1/1	$	42,939	40,073
Current service cost and interest		1,066	1,060
Remeasurement of net defined liabilities			
- The expected return of plan assets (excluding interest of		(814)	1,250

current period)		
- Actuarial gains and losses arising from changes of demographic assumptions	1,447	32
- Actuarial gains and losses arising from changes of financial assumptions	1,038	524
Defined benefit obligations – 12/31	**$ 45,676**	**42,939**

(3) Changes in the fair value of plan assets

Changes in the fair value of the Company's defined benefit plan assets in 2015 and 2014 are as follows:

	2015	**2014**
Fair value of the plan assets on January 1	$ 10,149	9,205
Remeasurement of net defined liabilities		
- The expected return of plan assets (excluding interest of current period)	98	24
Interest income	171	192
The Company's amount of appropriation	663	728
Fair value of the plan assets on December 31	**$ 11,081**	**10,149**

(4) Change of limit on a defined benefit assets

The Company has no change of limit on a defined benefit plan in 2015 and 2014.

(5) The expenses recognized in the profit or loss

The Company's expenses recognized in the profit or loss in 2015 and 2014 are as follows:

	2015	**2014**
Current service cost	$ 368	359
Net interests of net defined benefit liabilities	527	509
	$ 895	**868**
Operating Costs	$ 520	521
Marketing expense	69	58
General and administrative expenses	203	161
R&D expense	103	128
	$ 895	**868**

(6) Remeasurement of net liabilities under defined benefit plan recognized as other comprehensive income

In 2014 and 2013, remeasurement of net defined benefit liabilities recognized by the Company as other comprehensive income is as follows:

	2015	2014
Accumulated balance – 1/1	$ (23,979)	(22,197)
Recognized currently	(1,573)	(1,782)
Accumulated balance – 12/31	**$ (25,552)**	**(23,979)**

(7) Actuarial assumptions

The major actuarial assumptions used by the Company at the end of the financial reporting day are as follows:

	2015.12.31	2014.12.31
Discount rate	1.375%	1.625%
Future salary increases	2.000%	2.000%

Except as prescribed by the Labor Standard Act to provide pension funds monthly, the Company also complies with Article 56-2 of the same Act to assess the balance in the designated labor pension reserve funds account to determine whether it is adequate to pay pensions calculated according to the preceding Article for workers retiring in the same year. As if not, the Company is required to make up the difference in one appropriation before the end of March the following year. The amount estimated to be appropriated for payments of the defined benefit plan within a year after the 2015 reporting date is NT$29,426 thousand.

The weighted average duration of the defined benefit plan is 9.9 years.

(8) Sensitivity analysis

To calculate the present value of defined benefit obligation, the Company must use its discretion and assessment to determine relevant actuarial assumptions on the balance sheet date including the discount rate and future changes of salary. Any change in the actuarial assumptions is likely to materially affect the amount of the Company's defined benefit obligations.

The impact of changes on major actuarial assumptions to the present value of defined benefit obligations is as follows:

	The impact to the defined benefit obligations	
	Increase 0.25%	**Decrease 0.25%**
Discount rate	$ (1,104)	1,109
Future salary increases	1,144	(1,076)

The above sensitivity analysis is to analyze the impact of one single assumption with other assumptions remaining unchanged. In practice the changes of many assumptions may be correlated. The approach used for sensitivity analysis is consistent with the calculation of net pension liabilities recorded in the balance sheet.

The approach and assumptions used to compile the sensitivity analysis is the same with that of the previous period.

2. Defined contribution plan

The Company's defined contribution plan complies with the Labor Pension Act. An amount equivalent to 6% of the employee's monthly wage is appropriated to the respective labor pension account with the Bureau of Labor Insurance, Ministry of Labor. According to the defined contribution plan, the Company, after appropriating a fixed amount to the Bureau of Labor Insurance, Ministry of Labor, is free from any legal or constructive obligations to make extra payments.

The Company's pension expense under the defined contribution plan was NT$35,471 thousand and NT$24,356 thousand in 2015 and 2014, respectively; also, the amount had been appropriated to the Bureau of Labor Insurance, Ministry of Labor.

(XVI) Income tax

According to Article 40 of the Business Merger and Acquisitions Act, the Company and Globalwafers Co., Ltd. have had the profit-seeking enterprise income tax return filed in accordance with the Consolidated Tax Return System since the year 2012. The Company is the taxpayer to have the tax return of the Company and Globalwafers Co., Ltd. filed together in accordance with the relevant provisions of the Income Tax Act, including an additional 10% profit-seeking enterprise income tax for the unappropriated earnings. The other tax-related matters are to be handled separately by each company.

The Company and Globalwafers Co., Ltd. have first filed income tax returns separately in accordance with IAS 12 "Income Tax." After having the difference related to the joint income tax return adjusted and consolidated, it is amortized to each company in the joint tax return filing through a reasonable, systematic and consistent method. The income tax and deferred income tax expense after amortization is expressed in the financial statements.

In 2015 the Company sold in batches its stock investment in Globalwafers Co., Ltd. and no longer has shareholding more than 90% of the shares issued by Globalwafers Co., Ltd. The change of equity thus disqualifies the Company to file tax return together with Globalwafers Co., Ltd. Starting 2015, the Company and Globalwafers Co., Ltd. should report tax returns respectively.

1. Income tax expenses

The Company's income tax expense (profit) in 2015 and 2014 is as follows:

		2015	2014
Deferred income tax expense (profit)			
Occurring during the year	$	120,000	(89,024)
Adjustment of the income tax-current of prior period		(5,948)	(235)
		114,052	(89,259)
Deferred income tax expenses			
Temporary differences occurring and reversed		20,203	64,287
Changes in the unrecognized deductible temporary differences		-	34,288
		20,203	98,575
Income tax expenses	$	**134,255**	**9,316**

The Company's income tax expense (profit) recognized under other comprehensive income in 2015 and 2014 is as follows:

		2015	2014
Foreign exchange differences from foreign operation	$	**(4,511)**	**(4,684)**

The Company's income tax expense (profit) and net income before tax in 2015 and 2014 is adjusted as follows:

		2015	2014
Net income before tax	$	669,092	1,137,761
The income tax is calculated in accordance with the domestic income tax rate where the Company is located.		113,746	193,419
Permanent differences adjustment		(143,547)	(402,636)
The underestimation and overestimation of the prior period and unrecognized temporary difference		44,056	218,533
Income Basic Tax		120,000	-
Income tax expenses	$	**134,255**	**9,316**

2. Deferred income tax assets and liabilities

(1) The items that have not been recognized as deferred income tax assets by the Company are as follows:

	2015.12.31	2014.12.31
Deductible temporary differences	$ 357,317	315,873
Investment tax credits	445,857	445,857
Loss carryforwards	193,370	291,821
	$ 996,544	1,053,551

According to the Income Tax Act, tax losses of the last ten years audited and authorized by the tax authorities can be deducted from the net income of the year before levying the income tax. Such items are not recognized as deferred tax assets since the Company is not likely to have sufficient taxable income in the future for the use of temporary differences.

As of December 31, 2015, the deadline for the deduction of the Company's tax losses arising from the items that had not been recognized as deferred tax assets are as follows:

Annual losses	Loss to be deducted	Deadline for deduction
2012	$ 1,137,473	Year

(2) Recognized deferred income tax assets and liabilities

Deferred income tax assets and liabilities are listed as follows:

	2014.1.1	Recognized in the income statement	Recognized in other comprehensive income statement	Acquired through business merger	2014.12.31	Recognized in the income statement	Recognized in other comprehensive income statement	2015.12.31
Allowance for inventory loss in valuation	$ 14,240	3,184	-	16,773	34,197	5,471	-	39,668
Loss deduction	183,792	(103,793)	-	-	79,999	(10,803)	-	69,196
Other	54,875	2,034	(4,684)	9,807	62,032	(14,871)	(4,511)	42,650
	$ 252,907	(98,575)	(4,684)	26,580	176,228	(20,203)	(4,511)	151,514

3. Audited and approved income tax return filed

The Company's income tax returns filed have been audited and approved by the tax authorities up to 2013.

4. The Company's income tax integration is as follows

	2015.12.31	2014.12.31
The attributable year of unappropriated earnings:		
After 1998	$ 519,512	392,191
Tax credit account balance	$ -	83,760

	2015 (Estimated)	2014 (Actual)
ROC resident's tax credit ratio for earnings distribution	16.54%	-

The income tax integration amount referred to above was processed in accordance with the Tai.Chai.Shay No. 10204562810 Letter dated October 17, 2014 of the Ministry of Finance. Pursuant to Article 66-6 of the Income Tax Act, the ROC resident's tax credit ratio is reduced in half, and applicable for earning distribution starting from January 1, 2015.

(XVII) Capital and other equity

The Company's authorized capital amounted to NT$8,000,000 thousand with 800,000 thousand shares issued at NT$10 par on December 31, 2015 and 2014, respectively, (all including employee stock warrants, preferred stock with stock option or corporate bonds with stock option, and NT$200,000 thousand worth of stock shares available for subscription). The legal registration procedure for the authorized capital stock is completed. The paid in capitals are both NT$5,800,312 thousand.

The Company's outstanding stock shares in 2015 and 2014 were adjusted as follows (expressed in thousand shares):

	Common stock	
	2015	2014
Beginning outstanding shares – 1/1	580,031	523,119
New shares issued for the merger	-	56,888
Employees exercising stock options	-	24
Buy back treasury stock	(5,555)	-
Ending outstanding shares – 12/31	574,476	580,031

1. Issuance of common stock

The Company participated in the global depositary receipts for NT$610,000 thousand with cash capital increase and with 61,000 thousand shares issued, which was listed at the Luxembourg Stock Exchange on September 9, 2010 with a total of 61,000 thousand units of GDR issued at an issuance price of US$2.9048; also, the GDR amounted to US$177,193 thousand and each GDR underlying 1 common stock share of the Company. Such cash capital increase had already been approved by the Financial Supervisory Commission on August 13, 2010 with the FSC.certificate.far.tzi

No. 0990041383 Letter issued. For this capital increase, the Company had sufficient stock shares issued and proceeds collected on September 9, 2010 for a grand total of US$177,193 thousand and a net total of US$174,931 thousand after deducting the underwriting fees of US$2,262 thousand, which was equivalent to NT$5,580,288 thousand after being translated in accordance with the closing exchange rate of the day. In addition, after deducting the related issuance cost of NT$11,531 thousand, the premium amount of NT$4,958,757 thousand was booked in the "Capital surplus" account.

The Company had 24 thousand stock shares issued for the stock option of the stock warrant exercised by the employees in 2014 and the legal registration procedure for the stock issuance was completed as of December 31, 2014.

The Company had additionally issued 56,888 thousand common stock shares for merging Sunrise Global Solar Energy Co., Ltd. on August 1, 2014 and the legal registration procedure for the stock issuance was completed as of December 31, 2014.

2. Capital surplus

The Capital surplus balance of the Company is as follows:

	2015.12.31	2014.12.31
Common stock premium	$ 15,234,589	16,278,647
Difference between the disposal price and book value of the subsidiary's equity	1,889,777	123,752
Capital surplus of long-term equity investment is recognized under the equity method	1,090,919	206,007
Treasury stock transactions	31,765	31,765
Employee stock options, etc.	367,641	355,338
	$ 18,614,691	16,995,509

According to the Company Act amended in January 2012, Capital surplus is for making up losses first before capitalizing the realized Capital surplus or distributing cash dividends to shareholders in accordance with the original shareholding ratio. The realized Capital surplus referred to above includes the stock premium and bestowed income. According to the Criteria Governing the Offering and Issuance of Securities by Issuers, the total amount of Capital surplus for capitalization every year may not exceed 10% of the paid-in capital.

It was resolved in the Company's shareholders' meeting on June 25, 2015 to distribute cash dividend of NT$1,044,058 thousand (NT$1.8 per share) and NT$523,142 thousand (NT$1 per share) with the Capital surplus in 2014 and 2013 respectively. Please visit the MOPS for the related information.

A proposal was made by the board of directors of Sino-American Silicon Products Inc. on March 22, 2016 to distribute cash dividends of NT$0.7 per share. The above distribution out of additional paid in capital is waiting to be resolved by the shareholders' meeting. After this proposal is resolved by relevant meeting of Sino-American Silicon Products Inc please visit the MOPS for the related information.

3. Legal reserve

According to the Company Act amended in January 2012, the Company is to appropriate 10% of its net income as legal reserve until it is equivalent to the total capital amount. If there is no net loss, the Company may have stock dividends or cash dividends distributed with legal reserve based on the resolution reached in the shareholder's meeting, but limited to the legal reserve amount exceeding 25% of the paid-in capital.

4. Special reserve

When the Company adopted the international financial reporting standards (IFRSs) approved by the FSC for the first time, the Company had chosen to apply IFRS 1 "First-time Adoption of the IFRSs" exemptions, retained earnings was increased by NT$161,317 thousand due to the accumulated conversion adjustment (profit) under the shareholders' equity, which exceeding the net increase of NT$102,349 thousand in retained earnings on the conversion date for the first-time adoption of IFRSs approved by the FSC. According to the FSC.Certificate Far.Tzi No. 1010012865 Order of the Financial Supervisory Commission dated April 6, 2012, special reserve is appropriated for the net increase in retained earnings due to the conversion to the IFRSs approved by the FSC; also, it could be reversed for earnings distribution proportionately to the originally appropriated special reserve while using, disposing or reclassifying the related assets. The special reserve balance amounted to NT$102,349 thousand as of December 31, 2015 and 2014, respectively.

According to the Order referred to above, while distributing the distributable earnings, the Company had additional special reserve appropriated from the current profit or loss and unappropriated earnings of the prior period for the difference between the net amount debited to other shareholder's equity and the balance of the special reserve appropriated in the preceding paragraph. For the amount debited to other shareholders' equity attributable to prior period accumulation, the special reserve was appropriated from the unappropriated earnings of the prior period and it could not be distributed. The amount debited to the shareholders' equity reversed subsequently can be distributed as earnings.

5. Earnings distributions and dividend policy

According to the Articles of Association amended on June 26, 2014, the Company's annual earnings, if any, should be distributed in the order as follows:

(1) Make up losses.
(2) Appropriate 10% legal reserve. Unless the cumulative legal reserve is equivalent to the Company's total capital stock.
(3) Appropriate or reverse the special reserve in accordance with the law or regulations or the requirements of the competent authorities.
(4) For any remaining balance of the current earnings after deducting the amount in paragraph (1) ~ (3), appropriate not more than 3% of the remaining amount as remuneration to directors and minimum 5% of the remaining amount as employee bonus and the remaining amount thereafter plus undistributed earnings of previous years to be distributed in accordance with the earnings distribution proposed by the board of directors and resolved in the shareholders' meeting.

For the sustainable operation and development and the stable growth of earnings per share, the Company has the shareholder dividend distribution ratio determined with more than 50% cash dividends distributed. If the employee bonus is distributed with stock shares issued, the employees of the Company's subsidiary who have met the specific conditions that are stipulated by the authorized Chairman are entitled to such stock dividend distribution.

The distributable earnings from the net income of 2014 after deducting the 10% legal reserve and special reserve were NT$0; therefore, no need to estimate the amount of employee bonus and remuneration to directors.

The 2014 and 2013 earnings distribution were resolved in the regular shareholders' meeting on June 25, 2015 and June 26, 2014 respectively. The dividend distributed per share, employee bonus and directors' compensation are all NT$0 thousand. The earnings actually distributed in 2014 and 2013 mentioned above are no different from those recognized in the financial reports of the consolidated companies.

The 2015 earnings distribution was proposed by the Company's Board of Directors on March 22, 2016 for a cash dividend of NT$0.8/share. Such earnings distribution is yet to be resolved in the shareholders' meeting. The relevant information can be obtained from the MOPS after the resolutions reached in the meetings.

According to the amendment to the Company Act in March 2015, the remuneration to the employees and directors are no longer earning distribution item. The Company shall accomondate to amend the article of corporation before the deadline set up by the competent authority.

6. Treasury stock

The Company exercises treasury stock system to buy back stock shares from the Gre Tai Securities Market. The changes in treasury stock are illustrated by the reasons for buy back as follows:

Unit: Thousand shares

	2015			
Reasons for buy back	**Beginning shareholdings**	**Increase of the year**	**Decrease of the year**	**Ending shareholdings**
Transferred to employee	-	5,555	-	5,555

According to the Securities Exchange Act, the repurchased shares and percentage shall not exceed 10% of the outstanding shares; the total amount of treasury stock shall not exceed the lump sum of the retained earnings, stock premium and realized Capital surplus. According to the Securities and Exchange Act, the Company's treasury stock may not be pledged and is not entitled to the rights of shareholders before transfer.

7. Other equity (after tax)

	Exchange difference arising from the conversion of a foreign institution's financial statements	**Investments available-for-sale**	**Other**	**Total**

	Exchange difference arising from the conversion of a foreign institution's financial statements	Investments available-for-sale	Other	Total
Balance – 1/1/2015	$ (1,669,610)	(993,913)	(6,989)	(2,670,512)
Exchange difference arising from the conversion of a foreign institution's net assets	22,025	-	-	22,025
Exchange difference of the subsidiaries and affiliated companies under the equity method	187,515	-	-	187,515
Available-for-sale financial assets unrealized gains and losses	-	(18,507)	-	(18,507)
The unrealized profit or loss of the available-for-sale financial assets of the affiliated companies under the equity method	-	(75,071)	-	(75,071)
The un-earned remuneration of the employees of the affiliated companies under the equity method	-	-	3,722	3,722
Balance – 12/31/2015	**$ (1,460,070)**	**(1,087,491)**	**(3,267)**	**(2,550,828)**
January 1, 2014	$ (1,489,219)	(802,589)	-	(2,291,808)
Exchange difference arising from the conversion of a foreign institution's net assets	39,591	-	-	39,591
Exchange difference of the subsidiaries and affiliated companies under the equity method	(211,776)	-	-	(211,776)
Available-for-sale financial assets unrealized gains and losses	-	(196,282)	-	(196,282)
The unrealized profit or loss of the available-for-sale financial assets of the affiliated companies under the equity method	-	4,958	-	4,958
The un-earned remuneration of the employees of the affiliated companies under the equity method	-	-	(6,989)	(6,989)
New shares issued for the merger	(8,206)	-	-	(8,206)
Balance – 12/31/2014	**$ (1,669,610)**	**(993,913)**	**(6,989)**	**(2,670,512)**

(XVIII) Share-based payment

1. Employee stock warrants

It was resolved at the Board meeting in June 2010 to have the 1st employee stock warrant issued for 10,000,000 units in 2010, which was declared and became effective on November 12, 2010 and issued on August 10, 2011. One unit of stock warrant can subscribe to one common stock share of the Company for a 6-year duration. Employees may exercise the stock option for the cumulative ratio of 40%, 60%, 80% and 100% after 2-year, 3-year, 4-year, and 5-year, respectively, from the date the stock option was awarded.

The Company's employee stock warrant awarded as of December 31, 2015 is as follows:

Type	The effective date of declaration	Awarded date	Vested period	Vested unit (Thousand units)	Subscription unit price (NT$)	Market price per unit on the measurement date (NT$)	Adjusted performance price (NT$)
The first employee stock options in 2010	2010.11.12	2011.8.10	Service period 2~4 years	10,000	60.50	60.50	52.40

The remuneration cost of the Company's 2015 and 2014 compensating employee stock option plan amounted to NT$12,303 thousand and NT$22,696 thousand, respectively, (including NT$3,317 thousand and NT$6,118 thousand recognized as remuneration cost by the subsidiaries, respectively). The fair value of the stock option awarded to employees on August 10, 2011 was estimated in accordance with Black-Scholes stock option valuation model and with the weighted average information of the assumptions illustrated as follows:

Dividend rate	3.6%
Expected price volatility	48.065%
Risk-free interest rate	1.2905%
Expected duration	6 years

The Company at the time of partition had transferred 2,175 thousand shares and 885 thousand shares of the stock option to the subsidiaries, Globalwafers Co., Ltd. and Sino Sapphire CO., LTD., on October 1, 2011, respectively. The volume and weighted average price of the Company's employee stock warrant in 2015 and 2014 is disclosed as follows:

	2015		2014	
Employee stock options	**Quantity (thousand shares)**	**Adjusted weighted average price (NT$)**	**Quantity (thousand shares)**	**Adjusted weighted average price (NT$)**
Outstanding shares - beginning	4,650	$ 55.10	4,980	57.40
Confiscated in current period (number of failures)	-	-	(20)	55.10
The number of shares transferred in the current period of employees assigned to subsidiaries	(65)	52.40	(310)	55.10
Outstanding shares - end of period	4,585	52.40	4,650	55.10
Exercisable employee stock options - end of period	3,668	52.40	2,790	55.10
The average fair market value per share (NT$) of the employee stock options	$ 23.36		23.36	

The weighted average residual duration of the outstanding employee stock options on December 31, 2015 and 2014 was for 0.66 years and 1.66 years, respectively.

(XIX) Earnings per share

1. Basic earnings per share

	2015	2014
Net income attributable to the owner of the parent company	$ 534,837	1,128,445
Weighted average number of outstanding common stock (shares in thousand) - Beginning	580,031	523,119
Impact of issuance of new stocks with capital increase		23,725
Impact of treasure stocks	(1,852)	-
Weighted average number of outstanding common stock (shares in thousand) - End of period	578,179	546,844
Basic earnings per share (NT$)	$ 0.93	2.06

2. Diluted earnings per share

	2015
Net income attributable to the owner of the parent company	$ 534,837
Weighted average number of outstanding common stock (shares in thousand)	578,179
Employee remuneration in current year not yet resolved by shareholders' meeting that may be paid by issuing stocks	1,299
	579,478
Diluted earnings per share	$ 0.92

The 2014 employee stock options had no diluting effect; therefore, the diluted earnings per share would not be disclosed.

(XX) Revenues

	2015	2014
Sales of goods	$ 11,349,361	9,086,407
Labor service provided	396	8,830
Processing revenue	566,211	80,500
	$ 11,915,968	9,175,737

(XXI) Remuneration to employees and directors

Pursuant to the article of corporation of the Company approved by the directors of the board but yet to be resolved at the shareholders' meeting, for any earnings of the year, no more than 3% to 15% shall be appropriated as remuneration to the employee and distributed in cash or stocks as proposed by the board of directors. The employees of the Company's subsidiary who have met the specific conditions are entitled to such distribution; the Company may appropriate no more than 3% of the earnings mentioned above as remuneration to the directors as resolved by the directors of the board. The distribution of remuneration of employees and directors should be submitted and reported to the shareholders' meeting. In case the Company has cumulative losses, it should reserve amount to make up losses before distributing remuneration to the employees and directors in pursuant to the percentage mentioned in the preceding paragraph.

The Company has estimated the remuneration to employees and directors of 2015 as NT$58,372 thousand and NT$11,000 thousand respectively. The basis for the estimate is for the net income before tax and the exclusion of the remuneration to multiply the distribution multiplier. The result is reported as either operating costs or expenses of 2015. Any difference between the amount actually distributed and the estimated amount shall be handled as changes of accounting estimates, and recognized as profit and loss of 2015.

(XXII) Other income

	2015	2014
Interest income	$ 6,128	4,847
Dividend income	15,724	11,711
	$ 21,852	**16,558**

(XXIII) Other profit and loss

	2015	2014
Foreign currency exchange gains and losses	$ 52,107	101,325
Impairment loss	(57,826)	-
Other	63,998	60,077
	$ 58,279	**161,402**

(XXIV) Financial costs

	2015	2014
Interest expenses		
Bank loans	$ 50,903	92,266
Lease payable	14,269	5,485
	$ 65,172	**97,751**

(XXV) Other comprehensive income for subsidiaries and affiliates under equity method

Other comprehensive income for subsidiaries and affiliates of the Company under equity method of 2015 and 2014 are detailed as follows:

	2015	2014
Remeasurement of defined benefit plan	$ (13,752)	(48,884)
Exchange difference arising from the conversion of a foreign institution's financial statements	187,515	(211,776)
Unrealized gains or losses on valuation of financial assets available for sales	(75,071)	4,958
	$ 98,692	**(255,702)**

(XXVI) Financial instruments

1. Credit risks

(1) Credit risk exposure

The carrying amount of financial assets represents the maximum credit risk exposure amount.

(2) Concentration of credit risk

The Company's material clients are in the silicon wafer industry. The Company assigns a credit line to each customer in accordance with the credit procedures; therefore, the Company's credit risk is mainly affected by the silicon wafer industry. As of December 31, 2015 and 2014, 81% and 73%, respectively, of the Company's notes and accounts receivable (including related party) were attributable to the top-10 customers. Although there was the risk of concentration, the Company had regularly assessed the likelihood of the recovery of receivables and with appropriate allowance for bad debts appropriated.

2. Liquidity Risk

The contract maturities of financial liabilities are illustrated in the following table, including estimated interest but excluding the impact of the agreed net amount.

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2015							
Non-derivative financial liabilities							
Short-term loans	$ 1,150,000	(1,163,035)	-	(1,163,035)	-	-	-
Notes and accounts payable (including related party)	1,677,070	(1,677,070)	(1,677,070)	-	-	-	-
Long-term loans (including long-term loan due in one year)	2,611,106	(2,745,679)	(66,139)	-	(1,387,077)	(1,292,463)	-
Financing lease liabilities	288,729	(398,694)	(9,746)	(9,746)	(19,492)	(58,476)	(301,234)
	$ 5,726,905	**(5,984,478)**	**(1,752,955)**	**1,172,781)**	**6,578,668**	**(6,889,810)**	**(301,234)**
December 31, 2014							
Non-derivative financial liabilities							
Short-term loans	750,000	(758,510)	-	(758,510)	-	-	-
Notes and accounts payable (including related party)	1,056,628	(1,056,628)	(1,056,628)	-	-	-	-
Long-term loans (including long-term loan due in one year)	4,475,334	(4,656,486)	(336,140)	(338,947)	(2,975,473)	(1,005,926)	-
Financing lease liabilities	296,706	(418,186)	(9,746)	(9,746)	(19,492)	(58,476)	(320,726)
	$ 6,578,668	**(6,889,810)**	**(1,402,514)**	**(1,107,203)**	**7,140,362**	**(7,455,798)**	**(320,726)**

The Company does not expect the cash flow analysis on the maturity date to occur significantly ahead of the schedule or the actual amount will be significantly different.

3. Exchange rate risk

(1) Exchange rate risk exposure

The Company's is financial assets and liabilities exposed to significant foreign exchange rate risk are as follows:

	2015.12.31		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary items			
USD	$ 102,870	32.825	3,376,708
JPY	35,794	0.2727	9,761
EUR	18,198	35.880	652,944
Financial liabilities			
Monetary items			
USD	39,800	32.825	1,306,435
JPY	20,571	0.2727	5,610
EUR	3,371	35.880	120,951

	2014.12.31		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary items			
USD	$ 84,764	31.650	2,682,781
JPY	31,375	0.2646	8,302
EUR	1,925	38.470	74,055
Financial liabilities			
Monetary items			
USD	27,900	31.650	883,035
JPY	62,131	0.2646	16,440
EUR	1,036	38.470	39,855

(2) Sensitivity analysis

The Company's exchange rate risks primarily come from the cash and cash equivalents, accounts receivable, loan and accounts payable, etc. denominated in foreign currency with the resulting foreign currency exchange gains and losses. When the rate of NT to USD, JPY, and EUR was valued or devalued by 5% on December 31, 2015 and 2014 and with all other factors remaining unchanged, the 2015 and 2014 net income before tax was increased or decreased by NT$130,321 thousand and NT$91,290 thousand, respectively. The analysis of the two periods was performed on the same basis.

(3) Exchange gains or losses for monetary items

The exchange gains or losses of the Company's monetary items (including realized and unrealized) due from conversion to the functional currency, as well as the exchange rate used to convert to the functional currency of the parent company (i.e the currency as expressed in the Company's financial statement) are as follows:

	2015		2014	
	Exchange gains or losses	The average exchange rate	Exchange gains or losses	The average exchange rate
USD	$ 17,963	31.739	74,364	30.306
EUR	38,531	35.240	35,974	40.28
JPY	(4,431)	0.2624	(9,202)	0.287
Franc	44	33.00	(44)	33.14
RMB	-	-	233	4.92

4. Interest rate analysis

The Company's interest rate exposure of financial assets and financial liabilities is described in the liquidity risk management of this note.

The following sensitivity analysis is based on the interest rate risk exposure. The analysis of the floating interest rate liabilities is with the assumption that the amount of liability outstanding on the reporting date was outstanding for the whole year.

If interest rates increased or decreased by 0.25%, but all other variables remained constant, the Company's net income before tax in 2015 and 2014 would be decreased or increased by NT$6,205 thousand and NT$11,153 thousand, respectively, mainly due to the Company's loans with variable interest rates.

5. Fair value information

(1) Types of financial instruments and fair value

Information on the carrying amounts and fair values of financial assets and financial liabilities of the Company (including information on fair value hierarchy; however for financial instruments not measured at fair value but with carrying amounts reasonably approximate to fair value, or equity instrument investment in the active market with no quotation and no fair value reliably measured, there is no need to disclose fair value information) are as follows:

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Financial assets in available-for-sale－non-current	**$ 840,130**	**840,130**	**-**	**-**	**840,130**
Financial assets measured at cost – non-current	**$ 811,802**	**-**	**-**	**-**	**-**
Loans and receivables					
Cash and cash equivalents	$ 1,279,123	-	-	-	-
Notes and accounts receivable (including related party)	2,652,104	-	-	-	-

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Other financial assets (current and noncurrent)	41,902	-	-	-	-
Subtotal	**$ 3,973,129**	-	-	-	-

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Financial liabilities measured with amortized costs					
Short-term loans	$ 1,150,000	-	-	-	-
Long-term loans (including long-term loan due in one year)	2,611,106	-	-	-	-
Notes and accounts payable (including related party)	1,677,070	-	-	-	-
Finance lease payable (current and non-current)	288,728	-	344,295	-	344,295
Subtotal	**$ 5,726,904**	-	**344,295**	-	**344,295**

	2014.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Financial assets in available-for-sale－non-current	**$ 858,637**	**$ 858,637**	-	-	**858,637**
Financial assets measured at cost – non-current	**$ 867,323**	-	-	-	-
Loans and receivables					
Cash and cash equivalents	$ 1,460,560	-	-	-	-
Notes and accounts receivable (including related party)	1,507,658	-	-	-	-
Other financial assets (current and noncurrent)	66,337	-	-	-	-
Subtotal	**$ 3,034,555**	-	-	-	-
Financial liabilities measured with amortized costs					
Short-term loans	$ 750,000	-	-	-	-
Long-term loans (including long-term	4,475,334	-	-	-	-

	2014.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
loan due in one year)					
Notes and accounts payable (including related party)	1,056,628	-	-	-	-
Finance lease payable (current and non-current)	296,706	-	357,559	-	357,559
Subtotal	$ 6,578,668	-	357,559	-	357,559

(2) Valuation technique to measure the financial instruments that are not measured at fair value

The methods and assumptions the Company adopts to estimate fair value of instruments that are not measured at fair value are as follows:

Financial liabilities measured with amortized costs

If prices from sales or quoted prices from sellers are available, the most recent sale price and quoted price shall be used as basis to estimate the fair value. If no market value is available for reference, the valuation method is adopted for the estimation. The assessment and assumption adopted by the valuation method is fair value of the estimated discounted cash flow.

(3) Valuation technique employed to measure financial instruments that are measured at fair value

Non-derivatives financial instruments

If the financial instrument has quoted prices available in the active market, the quote in the active market shall be used as fair value. Both the market prices announced by major exchanges and those of Central Government bonds determined as popular securities announced by the Taipei Exchange are considered basis of fair value for equity instruments listed in the Exchange (Taipei Exchange)

If public quoted prices can be timely obtained from the exchanges, brokers, underwriters or the competent authority, and the prices can represent actual and frequent transactions in the market, the financial instruments are consider to have public quoted prices in the active market. If the above condition is not met, the market is consider inactive. Generally speaking, if there is great difference between the sales price and purchase price, or there is significant increase in such difference or the transaction are not frequent, there is indication that the market is not active.

Listed stocks in the exchanges (Taipei Exchange) refer to the financial assets and financial liabilities with standard clauses and conditions that are traded in the active market. Their fair market value refer to their market quoted price respectively.

From January 1 to December 31 of 2015 and 2014, there is no transfer between fair value hierarchy.

(XXVII) Financial Risk Management

1. Outline

   The financial instrument that the Company is using is exposed to the following risks:

   (1) Credit Risk
   (2) Liquidity Risk
   (3) Market Risk

   The Company's risk exposure information and the objectives, policies and procedures of the Company's risk measurement and management are disclosed in this note. Please refer to the notes to the individual financial statements for the quantitative disclosure in detail.

2. Risk management structure

   The Board has sole responsibility for and oversight of the Company's risk management framework and risk management policies and procedures. Internal auditors assist the Board of Directors to monitor and to carry out the regular and extraordinary review of risk management controls and procedures, and to report the results of the review to the Board.

   The Company's risk management policy is established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and the compliance with risk limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's operations. Also, develop a disciplined and constructive environmental control through training, management standards, and operating procedures in order to help all employees understand their roles and obligations.

   The audit committee of the Company oversees the management personnel to monitor and control the Company's compliance of risk management policies and procedures, as well as review the appropriateness of relevant risk management framework the Company employs to determine and plan responses to risk. The internal auditor assists the audit committee the Company to play the role of auditors. Internal auditors carry out the regular and extraordinary review of risk management controls and procedures, and report the results of the review to the Board.

3. Credit Risk

   The primary potential credit risk of the Company mainly comes from the financial instruments of cash and accounts receivable. The Company's cash is deposited in different financial institutions

   (1) Accounts receivables and other receivables

       The Company has established a credit policy. Before granting the standard payment and shipping terms as well as any other clauses, the Company shall analyze the credit rating of each new customer respectively. The limit on purchase quota shall be established according to each respective customer, and the limit shall be reviewed periodically. For customers not meeting the standard credit ratings as required, they can only make purchases from the Company on the basis of pre-payment.

       The Company has not requested collaterals on accounts receivables and other receivables.

(2) Investment

Credit risk on bank deposits, fixed-income investments and other financial instruments are measure and monitored by the Company's finance department. As the Company's trading partners and its counterparties fulfill their obligations either as banks with good credit standing or financial institutions, corporations, and government agencies of investment-grade and above, there should be no significant credit risk of them defaulting on their payment obligations, and this shall not be a concern.

(3) Guarantees

Pursuant to the Company's policy, it can only provide financial guarantees to companies with which it has business dealings, i.e. those companies that directly and indirectly hold more than 50 percent of the Company's voting shares, as well as the combined companies in which the Company holds directly and indirectly more than 50 percent of the voting shares. As of December 31, 2015 and 2014, except to the subsidiary companies, the Company does not provide any endorsement or guarantee.

4. Liquidity Risk

The Company has managed to pay for its operations by managing and maintaining sufficient cash and cash equivalents while mitigating the effects of fluctuations in cash flows. The Company's management is responsible for monitoring the credit lines granted by the bank and ensuring the compliance of the terms specified on the loan.

The bank loan is an importance source of liquidity. As of December 31, 2015 and 2014, the unused short term bank credit lines are NT$1,382,720 and NT$1,954,800 respectively.

5. Market Risk

Market risk refers to the changes in market prices, such as exchange rates, interest rates and equity instrument price changes, causing risks to the Company's income or the value of the financial instruments. The purpose of market risk management is to contain market risk exposure within the tolerable range and with the return on investment optimized.

(1) Exchange rate risk

The Company is exposed to exchange rate risk that arises from sales, purchases and loans transactions denominated in non-functional currency. The Company's functional currency is NT Dollars. Such transactions are mainly denominated in the currencies of NTD, USD, JPY and EUR.

Loan interest is denominated in the currency of the loan principal. In general, a loan is in the same currency as the cash flow generated from an operating activity, which is mainly in NT Dollars.

For other monetary assets and liabilities denominated in foreign currencies, for any short-term imbalance occurring, the Company is to maintain the net risk exposure at an acceptable level by buying or selling foreign currency at the spot exchange rate.

(2) Interest rate risk

The Company holds assets and liabilities with floating interest rates, resulting in a cash flow interest rate risk exposure.

(3) Equity instrument price

The Company has equity price exposures due to investments in stocks listed on the Taipei Exchange (TPEx). Those equity investments are not held for trading but for strategic investment.

Please refer to Note 6 (4) for risk of changes, in detail.

(XXVIII) Capital Management

The policy of the Board of Director is to maintain sound capital base in order to uphold the confidence of investor, creditor, and market, and to support future operations and development. Capital includes the Company's capital stock, capital surplus, retained earnings and other equities. The Board of Directors controls the return on capital and the common stock dividend level.

Debt capital ratio on the reporting date is as follows:

	2015.12.31	2014.12.31
Total liabilities	$ 9,282,839	10,271,663
Less: Cash and cash equivalent	(1,279,123)	(1,460,560)
Net liabilities	$ 8,003,716	8,811,103
Total Equity	$ 22,986,756	20,898,239
Debt capital ratio	34.82%	42.16%

As of December 31, 2015 the debt capital ratio has decreased due to the repayment of long term loan, reducing total liabilities.

(XXIX) Investment and financing activities of non-cash transactions

The Company issued common stock shares on August 1, 2014 to acquire 49.05% stock shares of Sunrise Global Solar Energy Co., Ltd. Please refer to Note 6 (VII) and (XVII) for details.

VII. Related party transactions

(I) The relationship between parent company and subsidiaries

The Company's subsidiaries are as follows:

		Owner's equity (shareholding %)	
	Location of establishment	**2015.12.31**	**2014.12.31**
Sino Silicon Technology Inc. (referred to hereinafter as SSTI)	British Virgin Islands	100%	100%
Globalwafers Co., Ltd.	Taiwan	66.70%	94.92%
Aleo Solar GmbH (referred to hereinafter as Aleo Solar) (Note 1)	Germany	100%	100%
Aleo Solar Distribuzione Italia S.r.l.	Italy	100%	100%
Aleo Sunrise GmbH (referred to hereinafter as Aleo Sunrise)	Germany	100%	-
SAS Sunrise Inc.	Cayman	100%	-
SAS Sunrise Pte. Ltd.	Singapore	100%	-
Sulu Electric Power and Light Inc. (Referred to hereinafter as SPV) (Note 2)	Philippines	40%	-
MLED International Systems Inc. (referred to hereinafter as AMLED)(Note 3)	Philippines	-	-
Sino-American Materials Co., Ltd.	Taiwan	90%	90%
FZtech Inc. (referred to hereinafter as FZtec)	Taiwan	100%	-
GlobalSemiconductor Inc. (referred to hereinafter as GSI)	Cayman	100%	100%
GlobalWafers Inc.(referred to hereafter as GWI)	Cayman	100%	100%
GWafers Co., Ltd.(referred to hereinafter as GWafers)	Japan	100%	100%
Sino-America Silicone Products Inc. (hereinafter referred to as "Sino-America Silicone")	Kunshan City, Jiangsu Province	100%	100%
GlobiTech Incorporated(referred to hereinafter as GTI)	Texas	100%	100%
GlobalWafers Japan Co., Ltd.(referred to hereinafter as GWJ)	Japan	100%	100%

Note 1: was known as "SCP Solar GmbH" and renamed as "Aleo Solar GmbH" in 2014.

Note 2: even if the merged company has no more than 50 percent voting shares in SPV, it may control the finance and strategy of the SPV through valid agreements with other investors of SPV. As a consequence the SPV is deemed as a subsidiary of the Company.

Note 3: even if the merged company does not hold any equity interest in AMLED, it may control the finance and strategy of this company and obtain all interests derived from its operations and net assets. As a consequence AMLED is deemed as a subsidiary of the Company.

(II) Parent company and ultimate controller

The Company is the ultimate controller of the Company and its subsidiaries.

(III) Other related party transactions

1. Operating revenue

The Company's material sales amount to the related party are as follows:

		2015	2014
Subsidiary	$	1,226,527	398,712
Affiliated companies		1	1
Other related parties		1,422,325	1,096,537
	$	2,648,853	1,495,250

The Company had processing income from the related party for NT$174,927 thousand and NT$215,330 thousand in 2015 and 2014 that was debited to the operating cost, respectively.

The Company offers selling price to the related party in accordance with the general market price and has the price adjusted with the considerations of sales area, sales volume, etc.

In 2015 and 2014, the Company offered a payment term to regular customers of O/A 0~90 days and 0~210 days respectively; the payment terms offered to major related parties are Net 45~180 days and Net 30~120 days respectively.

2. Purchase and outsourced processing

The amount of purchase and outsourced processing from the related party by the Company is as follows:

		2015	2014
Subsidiary	$	34,964	15,496
Other related parties		833,784	320,473
	$	868,748	335,969

The Company has used the general market price to purchase goods and outsource processing from the related party.

In 2015 and 2014 the Company was granted a payment term of O/A 0 day ~ 120 days from regular suppliers; and Net 7~90 days and O/A 15~60 days purchase term granted from the related parties.

3. Receivables from related parties

The Company's receivables from the related parties are as follows:

Account	Classification of related party		2015.12.31	2014.12.31
Receivables from related parties	Subsidiary	$	966,592	121,490
Receivables from related parties	Other related parties		169,671	160,005
		$	1,136,263	281,495

In addition, the related party has long-term supply agreements signed with the Company gradually to secure a stable supply of raw materials for production. As of

December 31, 2014, and 2013, the advances from the related party (booked in the "received in advance" and "long-term prepayment") were as follows:

	2015.12.31	2014.12.31
Other related parties	$ 962,788	1,015,786

4. Payables to related parties

The Company's payables to related parties are as follows:

Account	Classification of related party	2015.12.31	2014.12.31
Payable to related parties	Subsidiary	$ 9,259	1,302
Payable to related parties	Other related parties	198,545	77,142
		$ 207,804	78,444

5. Property transactions

Information regarding the Company's selling machinery equipment to the related party is summarized as follows:

	2015		2014	
	Sale price	Receivables from related parties	Sale price	Receivables from related parties
Subsidiary	$ 3,697	-	30,114	-
Affiliated companies	281	-	-	-
Other related parties	2,849	-	-	-
	$ 6,827	-	30,114	-

In 2015 and 2014 the realized gains were NT$645 thousand and NT$14,590 thousand respectively. As of December 31, 2015 and 2014 the deferred gains on disposal fixed assets from selling fixed assets to related parties are NT$3,496 thousand and NT$0 respectively.

Information regarding the Company's buying machinery equipment from the related party is summarized as follows:

	2015		2014	
	Amount	Amount payable at end of period (Prepaid equipment)	Amount	Amount payable at end of period (Prepaid equipment)
Subsidiary	$ -	-	3,500	-
Other related parties	118,437	-	238,999	(95,623)
	$ 118,437	-	242,499	(95,623)

6. Management fee income

Information regarding the Company's collecting the management fees income from related parties and having them debited to the management expense is as follows:

	2015	2014
Subsidiary	$ 15,584	37,546

As of December 31, 2015 and 2014, the management fees yet to be received are NT$2,014 thousand and NT$11,367 thousand respectively and recorded in the account of receivable from related parties.

7. Technical service income

The Company collected technical service income from the related parties and recorded them in the account of "Other profits or losses". Please see detail as follows:

	2015	2014
Subsidiary	$ 10,848	13,786
Affiliated companies	-	741
	$ 10,848	14,527

As of December 31 of 2015 and 2014, the technical service income yet to be received is recorded in the account of receivables from related parties of NT$2,835 thousand and NT$3,576 thousand respectively.

8. The consolidated tax return system

The Company and the subsidiaries have had the profit-seeking enterprise income tax return filed in accordance with the Consolidated Tax Return System since the year of 2012. As of December 31, 2014, the taxes under the consolidated tax system is NT$89,025 thousand and recorded under the account of receivable from related parties.

9. Loan to related parties

The actual disbursement of loan to the related parties is as follows:

	2015.12.31	2014.12.31
Subsidiary	$ 179,400	-

The interests on loans to subsidiaries are calculated with the average interest rate of the year the disbursement was made. All loans are unsecured. The interest incomes in 2015 and 2014 are NT$500 thousand and NT$0 respectively. As of December 31, 2015 and 2014, the interest receivable at end of period are NT$275 thousand and NT$0 thousand respectively and recorded under the account of receivables from related parties.

10. Loan from related parties

The Company has borrowed from the subsidiaries to meet its operation needs. As of December 31, 2014, the loan has been repaid in full.

The interests on loans borrowed from related parties are calculated with the average interest rate of the year; the disbursement was made from the related parties. All loans are unsecured. The interest expenses in 2014 are NT$1,973 thousand. As of December 31, 2014, the interest payable in the ending period has been repaid in full.

11. Endorsement and guarantee

    The Company's endorsements and guarantees for the related party is summarized as follows:

	2015.12.31	2014.12.31
Subsidiary	$ 1,981,518	139,061

12. Various amount paid on behalf

    As of December 31, 2015 and 2014, the unsettled balance of amounts paid on behalf in between related parties, including the purchase of materials, insurance and utilities bills, are recorded under the account of receivables (payable) from/to the related parties as follows:

	2015.12.31	2014.12.31
Subsidiary	$ 34,456	892
Subsidiary	(131,693)	488)
Affiliated companies	5,867	9,822
Affiliated companies	(41)	(41)
Other related parties	-	(3,527)
	$ (91,411)	6,658

13. Other

    (1) The company's direct sales to the related parties are deemed as transfer of inventory and not as sales and costs of the Company, as the sales revenue and related costs are offset in the financial statements. For 2015 the sales mentioned above is NT$1,411,392 thousand. As of December 31, 2015, deferred revenue from the above transactions amounted to NT$81,952 thousand and recorded in the account of investment under equity method.

    (2) The Company sold indirectly to its subsidiaries in 2015 and 2014, and purchased the finished products from the subsidiaries for immediate resale to the Company's customers. Transactions were denominated at cost plus percentage. Sales income and purchase had been written off when the financial statements were prepared and they were not treated as the Company's sales and purchases. The unrealized gains and losses arising from the indirect trading had been deferred. The labor service revenue from the above transactions are NT$0 and NT$8,830 thousand respectively and recorded under the account of labor service revenues.

    (3) The plant lease contract signed by the Company and its related parties are summarized as below:

The Company has signed a contract to lease a plant from its related parties. The lease payable and other payables to the related parties are detailed as follows:

		2015	2014
Subsidiary	$	816	816
Other related parties		11,340	-
	$	12,156	816

Account	Classification of related party	2015.12.31	2014.12.31
Payable to related parties	Subsidiary	$ 71	-

(4) The lease contracts the related parties signed with the Company are summarized as follows:

The Company has a lease contract signed with the related party. The related rent income and accounts receivable – related party is detailed as follows:

		2015	2014
Subsidiary	$	2,400	2,400
Affiliated companies		7,836	7,836
	$	10,236	10,236

Account	Classification of related party	2015.12.31	2014.12.31
Receivables from related parties	Subsidiary	$ 420	420
Receivables from related parties	Affiliated companies	686	686
		$ 1,106	1,106

(IV) Major transactions involving management

The remuneration to key management include:

		2015	2014
Short-term employee benefits	$	47,850	55,685
Post-employment benefits		486	513
Share-based payment		4,827	8,951
	$	53,163	65,149

The Company provided 3 automobiles for a total of NT$3,345 thousand and 4 automobiles for a total of NT$4,645 thousand for the use by management in 2015, and 2014 respectively.

VIII. Pledged assets

(I) The carrying amount of the assets pledged by the Company as collateral is as follows:

Assets	Pledge or Mortgage underlying subject	2015.12.31	2014.12.31
Property, plant and equipment	Long-term debt payable	$ 585,410	622,561
Bank deposits (recorded as "other financial assets – noncurrent" account)	Innovation Center program performance bond	-	21,745
Bank deposits (recorded as "other financial assets – noncurrent" account)	Solar energy demonstration system pledge guarantee	201	201
Bank deposits (recorded as "other financial assets – noncurrent" account)	Pledged as collateral to a land lease	20,497	20,497
Bank deposits (recorded as "other financial assets – noncurrent" account)	Performance bonds for Government grant provided to technology projects	8,412	8,400
		$ 614,520	673,404

IX. Material-contingent liabilities and unrecognized contractual commitments

(I) Material unrecognized contractual commitments

1. The Company's purchase amount yet to be spent in accordance with the current effective long-term purchase contract is as follows:

(Foreign currency unit: in Thousand)

	2015.12.31	2014.12.31
USD	$ 1,641,970	1,100,639
EUR	$ 48,400	22,005

Silicone supplier Hemlock Semiconductor Pte Ltd. has send notification requesting the Company for prepayment, payment for goods to be collected, and late payment arrearage interests in accordance with the long-term purchase contract for a cumulative total of US$452,640 thousand as of December 31, 2015. The aforementioned purchase amount yet to be collected, except for interest, has included the amount requested by the suppliers. Hemlock Semiconductor Pte Ltd. has served summons and complaints to the Company and they arrived the Company on May 12, 2015. For relevant information please refer to (2) the contingent liabilities.

The Company has appropriated impairment loss on prepayment of goods purchased from the silicone supplier for NT$177,539 thousand and NT$444,256 thousand respectively. As of December 31, 2015 and 2014, the pre-payments for goods to a silicone supplier by the Company, net of the impairment loss of NT$919,200 thousand and NT$795,218 thousand, are NT$1,749,967 thousand and NT$2,418,568 thousand respectively and recorded under the account of material pre-payments and long-term pre-paid material".

2. In response to the long-term purchase contract referred to above, the Company has signed silicone wafer long-term sales contracts with the customers since the year 2005, who agreed to pay for the non-refundable funds. Both parties agreed that the Company sells silicon wafers in accordance with the agreed quantity and price between January 1, 2006 and December 31, 2019. If the delivery has not been made in compliance with the contract signed, a sales discount or an amount equivalent to 1.5~4 times of the advances from customers as compensation should be granted. If the delay of shipment has not been resolved for more than three months, the outstanding pre-payment should be refunded. In response to the price decline arising from the falling demand, solar energy battery customers and the Company will negotiate the selling price and adjusting the average selling price in accordance with market conditions.

   The amount of delivery according to the existing contracts and current market conditions is as follows:

(Foreign currency unit: in Thousand)

	2015.12.31	2014.12.31
USD	$ 277,007	197,859
EUR	$ 188,879	143,544
NTD	$ 580,961	3,002,132

3. As of December 31, 2015 and 2014, material construction as well as equipment and plants projects signed or ordered but yet to be inspected amounted to NT$542,779 thousand and NT$45,680 thousand respectively.

4. As of December 31, 2015 and 2014, the total amount of promissory notes deposited in the bank by the Company after obtaining bank loans was NT$9,612,720 thousand and NT$9,254,800 thousand, respectively.

5. As of December 31, 2015 and 2014, the amount of the performance bond issued by the bank upon the request of the Company to the Directorate General of Customs, Ministry of Finance and for R&D programs was NT$41,400 thousand and NT$23,000 thousand, respectively.

6. As of December 31, 2015, the letter of credits issued yet unused amounted to US$6,162 thousand and EUR$ 4,288 thousand.

7. The Company and polycrystalline solar cell manufacturers (hereinafter referred to as "the manufacturer") have a cooperation agreement signed so that the manufacturer is to provide a plant and equipment to the Company for business operations from April 1, 2015 to March 31, 2021. According to the contract, the Company shall allocate part of the operating profit arising from the plant and equipment to the manufacturer. During the contract period, after the cumulative operating profit

reached a certain amount, the Company is entitled to obtain ownership of the plant and equipment with or without any consideration paid.

(II) Contingent liabilities

Silicone supplier Hemlock Semiconductor Pte. Ltd. has filed claims against the Company in the Supreme Court in the state of New York in March, 2015, accusing the Company of breach of contract and demanding compensation for the damages. The company has submitted rebuttal denying the claims raised by Hemlock Semiconductor Pte. Ltd. As of the reporting date of the individual financial reports, the claims were still in the discovery stage. To avoid the impact the lawsuit may have on the Company, the provisions, contingent liabilities and contingent assets were not disclosed in the financial report in full compliance as prescribed by IAS 37. The Company has retained lawyers to fight and rebut all claims raised by Hemlock Semiconductor Pte. Ltd.

X. Loss from major accidents: None

XI. Materiality after the period

XII. Others

Employee benefits and depreciation expenses are summarized by functions as follows:

By Function / By Nature	2015			2014		
	Classified as operating cost	Classification of operating expenses	Total	Classified as operating cost	Classification of operating expenses	Total
Employee benefits expense						
Salaries	745,064	154,526	899,590	607,199	173,463	780,662
Labor and health insurance	67,325	11,582	78,907	45,438	7,992	53,430
Pension expenses	30,356	6,010	36,366	20,998	4,226	25,224
Other employee benefits expense	35,137	3,600	38,737	29,058	3,114	32,172
Depreciation expense	832,083	62,243	894,326	473,368	41,903	515,271
Amortizations	17,785	-	17,785	1,482	-	1,482

As of December 31 2015 and 2014, the Company has 1,754 and 1,288 employees respectively.

XIII. Supplementary disclosure

(I) Relevant information of material transactions:

Significant transactions to be disclosed by the Company in 2015 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers are as follows:

1. Loaning of Funds: Attachment I
2. Endorsement and guarantee for others: Attachment II
3. Marketable securities held at year end (Does not include investments in subsidiaries, affiliated companies and joint control): Attachment III
4. The cumulative purchase or sale of the same marketable security for an amount over NT$300 million or 20% of the paid-in capital: Attachment IV
5. Acquisition of real estate for an amount over NT$300 million or 20% of the paid-in capital: Attachment V
6. The amount of real property disposed exceeds NT$300 million or 20% of stock capital collected: None
7. The purchase or sale amount with the related parties for an amount over NT$100 million or 20% of the paid-in capital: Attachment VI
8. Receivables from related parties for an amount over NT$100 million or 20% of the paid-in capital: Attachment VII
9. Trading of Derivative Products: None.

(II) Transfer Investment Information: Attachment VIII

(III) Information on investment in Mainland China:

1. Investments in Mainland China information: Please refer to Attachment IX (I) for details
2. Investment limits in Mainland China: Please refer to Attachment IX (II) for details.

XIV. Segment information

Please refer to the 2015 consolidated financial statements for segment information, in detail.

Sino-American Silicon Products Inc. and its subsidiaries
Lending of Funds
From January 1 to December 31, 2015

Attachment I

Unit: NT$ Thousand

No.	Lending company	Borrower	Inter account	A related party or not	Maximum amount	Balance - ending	The actual utilization amount balance	Interest rates interval	Nature of the loans (Note 1)	Trade amount	Reasons for short-term financing	Allowance for bad debt	Collateral		Loaning of fund to individual object and the limits (Note 2 and 4)	Limit for total funds lended (Note 3)
													Name	Value		
0	Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Loan receivable – related party	Yes	631,600 (USD20,000)	-	-	2.0%	2	-	Working capital	-	-	-	2,298,676	9,194,703
0	Sino-American Silicon Products Inc.	SPV	Loan receivable – related party	Yes	492,375 (USD15,000)	492,375 (USD15,000)	-	4.5%	2	-	Working capital	-	-	-	2,298,676	9,194,703
0	Sino-American Silicon Products Inc.	Aleo Solar	Loan receivable – related party	Yes	369,200 (EUR10,000)	358,800 (EUR10,000)	89,700 (EUR2,500)	2.0%	2	-	Working capital	-	-	-	2,298,676	9,194,703
0	Sino-American Silicon Products Inc.	Aleo Sunrise	Loan receivable – related party	Yes	179,400 (EUR5,000)	179,400 (EUR5,000)	89,700 (EUR2,500)	2.0%	2	-	Working capital	-	-	-	2,298,676	9,194,703
1	Globalwafers Co., Ltd.	Sino-American Silicon Products Inc.	Loan receivable – related party	Yes	1,200,000	-	-	1.8%	2	-	Working capital	-	-	-	1,672,460	6,689,839
2	SSTI	SPV	Loan receivable – related party	Yes	460,180 (USD14,000)	459,550 (USD14,000)	459,550 (USD14,000)	4.0%	2	-	Working capital	-	-	-	459,571	459,571
3	SAS Sunrise Inc.	AMLED	Loan receivable – related party	Yes	32,870 (USD1,000)	32,825 (USD1,000)	32,825 (USD1,000)	4.0%	2	-	Working capital	-	-	-	318,188	318,188
4	SAS Sunrise Pte. Ltd	AMLED	Loan receivable – related party	Yes	288,860 (USD8,800)	288,860 (USD8,800)	288,860 (USD8,800)	4.5%	2	-	Working capital	-	-	-	295,554	295,554

Note 1: The entry method for the loaning of funds is as follows:

(1) "1" stands for those who had conducted business transactions with the company;

(2) "2" stands for where there was need for a short-term loan;

Note 2: For the loaning of funds to a business counterpart, the individual loan amount is limited to the transaction amount conducted between the two parties within the year. For the loaning of funds to a company with the need of short-term financing, the individual loan amount is limited to 10% of the net worth of the lender. For the loaning of funds between the lender and a foreign company with 100% voting rights held directly and indirectly by the lender, the individual loan amount is limited to 20% of the net worth of the lender.

Note 3: For the loaning of funds to a business counterpart, the total loan amount is limited to 40% of the net worth of the lender. For the loaning of funds to a company with the need of short-term financing, the total loan amount is limited to 10% of the net worth of the lender. For the loaning of funds between the lender and a foreign company with 100% voting rights held directly and indirectly by the lender, the total loan amount is limited to 40% of the net worth of the lender.

Sino-American Silicon Products Inc. and its subsidiaries
Endorsement and guarantee for others:
From January 1 to December 31, 2015

Attachment II

Unit: NT$ Thousand

No.	Endorsing company	Endorsed company		Endorsement limit to a single company (note 2)	Maximum endorsement and guarantee balance this period	Endorsement balance at end of period	Amount of actual disbursement	Endorsement and guarantee with assets as collateral	Ratio of accumulated endorsement and guarantee of the net worth on the most recent financial statement	Maximum amount for guarantee (note 1)	Endorsement and guarantee by the parent company to it subsidiaries	Endorsement and guarantee by the subsidiaries to parent company	Endorsement and guarantee to companies in Mainland China.
		Company Name	Relationship										
0	Sino-American Silicon Products Inc.	GWJ	Transfer investment company of Sino-American Silicon Products Inc.	2,298,676	143,948 (JPY 525,551)	143,318 (JPY 525,551)	-	-	0.62%	11,493,378	Y	N	N
0	Sino-American Silicon Products Inc.	SAS Sunrise Inc.	- Ditto -	2,298,676	328,700 (USD10,000)	-	-	-	-	11,493,378	Y	N	N
0	Sino-American Silicon Products Inc.	SAS Sunrise Inc. & SAS Sunrise Pte. Ltd. & SPV	- Ditto -	2,298,676	1,838,200 (USD56,000)	1,838,200 (USD56,000)	742,584 (USD22,623)	-	8.00%	11,493,378	Y	N	N
1	Globalwafers Co., Ltd.	GWJ	- Ditto -	1,672,460	273,900 (JPY 1,000,000)	272,700 (JPY 1,000,000)	-	-	1.63%	8,362,299	N	N	N

Note: 1 The total cumulative endorsement and guarantee amount provided is limited to 50% net worth on the most recent financial statements of the endorsing company.

Note 2: The endorsement and guarantee amount provided to one single company is limited to 10% net worth on the most recent financial statements of the endorsing company.

Note 3: The total cumulative endorsement and guarantee amount and the endorsement and guarantee amount provided to one single company by the endorsing company and its subsidiaries is limited to 50% net worth on the most recent financial statements of the endorsing company.

Note 4: The endorsement and guarantee provided to the following enterprises are exempted from the three limitations referred to above:

(1) The companies with 50% voting rights directly or indirectly held by the endorsing company; and

(2) The parent company holds 50% voting rights of the endorsing company directly or indirectly and the companies with 50% voting right directly or indirectly held by the parent company.

Sino-American Silicon Products Inc. and its subsidiaries
Marketable securities held at end of period
(not including subsidiary invested, affiliated companies and the jointly controlling portion)
December 31, 2015

Attachment III

Unit: NT$ Thousand /Thousand shares; thousand units

Companies owned	Type and names of marketable securities	Affiliation with marketable security issuers	Account titles	Ended				Remarks
				Number of shares	Carrying Amount	Shareholding ratio	Fair value	
Sino-American Silicon Products Inc.	Stock of Solartech Energy Corp.	Sino-American Silicon Products Inc. is the management of Solartech Energy Corp.	Financial assets in available-for-sale —non-current	29,480	598,453	7.93%	598,453	
Sino-American Silicon Products Inc.	Stock of Actron Technology Corporation	Chairman of the company is also the Chairman of Sino-American Silicon Products Inc.	- Ditto -	2,129	241,677	2.84%	241,677	
GTI	Stocks of companies overseas	-	- Ditto -	2,074	533,741	4.95%	533,741	
					1,373,871			
Sino-American Silicon Products Inc.	Stock of SONGLONG ELECTRONICS CO., LTD.	-	Financial assets measured at costs - non current	221	-	13.81%	-	
Sino-American Silicon Products Inc.	Stock of Giga Epitaxy Technology Corp.	-	- Ditto -	1,100	7,499	1.52%	-	
Sino-American Silicon Products Inc.	Stock of 21-Century Silicon Inc	-	- Ditto -	1,000	-	7.74%	-	
Sino-American Silicon Products Inc.	Stock of Powertec Energy Corporation	-	- Ditto -	84,895	774,936	5.00%	-	
Sino-American Silicon Products Inc.	Stock of Sunshine PV Corp.	-	- Ditto -	5,928	29,367(note)	5.12%	-	
SSTI	Stock of SILFAB SPA	-	- Ditto -	300	550,895	15.20%	-	
SSTI	Stock of Clean Venture	-	- Ditto -	10	-	7.20%	-	

Companies owned	Type and names of marketable securities	Affiliation with marketable security issuers	Account titles	Ended				Remarks
				Number of shares	Carrying Amount	Shareholding ratio	Fair value	
	21 Corporation				1,362,697			

Note: Include the prepayment of investment NT$2,305 thousand. As of the financial reporting date the procedures of capital increase has not been completed.

Sino-American Silicon Products Inc. and its subsidiaries
The cumulative purchase or sale of the same marketable security for an amount over NT$300 million or 20% of the paid-in capital
From January 1 to December 31, 2015

Attachment IV

Unit: NT$ Thousand / Thousand shares

Companies in the purchase and sale activities	Type and names of marketable securities	Account titles	Counter party	Relationship	Beginning		Bought		Sold				End of Period	
					Shares	Amount	Shares	Amount	Shares	Selling price	Carrying cost	Disposition gain or loss	Shares	Amount
Sino-American Silicon Products Inc.	Stock of Globalwafers Co., Ltd.	Long-term investments (Equity method)	Globalwafers Co., Ltd.	Subsidiaries directly held by Sino-American Silicon Products Inc.	301,381	12,532,812	-	-	55,088	4,223,828	1,377,506 (Note)	1,766,025	246,293	11,155,306
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Long-term investments (Equity method)	SAS Sunrise Inc.	Subsidiaries directly held by Sino-American Silicon Products Inc.	-	-	24,500	786,748 (Note)	-	-	-	-	24,500	786,748
SAS Sunrise Inc.	SAS Sunrise Pte. Ltd.	Long-term investments (Equity method)	SAS Sunrise Pte. Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	-	-	30,934	738,886 (Note)	-	-	-	-	30,934	738,886
SAS Sunrise Pte. Ltd.	SPV	Long-term investments (Equity method)	SPV	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	-	-	420,000	440,650 (Note)	-	-	-	-	420,000	440,650
GTI	Stocks of companies overseas	Financial assets in available-for-sale— non-current	-	-	-	-	2,074	533,741 (Note)	-	-	-	-	2,074	533,741

Note: It includes equity investment gains and losses recognized currently and cumulative translation adjustment.

Sino-American Silicon Products Inc. and its subsidiaries
Purchases or sales with related parties amounting to over NT$100 million or 20% of the paid-in capital
From January 1 to December 31, 2015

Attachment V

Unit: NT$ Thousand

Companies to make purchase (sale)	Name of the trading counter party	Relationship	Status of transaction				Special terms and conditions of trade and reasons		Notes receivable (payable), accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Total percentage of the accounts and notes receivable (payable) (%)	
Sino-American Silicon Products Inc.	Solartech Energy Corp.	Sino-American Silicon Products Inc. is the management of Solartech Energy Corp.	Purchase	819,319	8%	Net 14 days	-	-	(197,232)	(13)%	
Sino-American Silicon Products Inc.	Solartech Energy Corp.	Sino-American Silicon Products Inc. is the management of Solartech Energy Corp.	Sales	(1,421,350)	(12%)	Net 45 days	-	-	169,671	7%	
Aleo Solar	Sino-American Silicon Products Inc.	Subsidiaries directly held by Sino-American Silicon Products Inc.	Purchase	1,223,081	10%	Net 90 days	-	-	(583,989)	(24)%	
SPV	Sino-American Silicon Products Inc.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	(Note)	-	O/A 30 days	-	-	(373,569)	(15%)	
Globalwafers Co., Ltd.	Sino-American Silicon Products Inc.	Subsidiaries directly held by Sino-American Silicon Products Inc.	Purchase	187,514	2%	O/A 60 days	-	-	(43,068)	(3%)	
Globalwafers Co., Ltd.	GTI	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	832,432	9%	O/A 15 days	-	-	(17,223)	(1)%	
Globalwafers Co., Ltd.	Sino-America Silicon Products Inc.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	1,752,744	19%	O/A 45 days	-	-	(268,195)	(17)%	
Globalwafers Co., Ltd.	GWJ	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	5,150,462	56%	O/A 60 days	-	-	(1,038,083)	(67)%	
GTI	Globalwafers Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	2,397,361	35%	O/A 120 days	-	-	(830,939)	(37)%	

Companies to make purchase (sale)	Name of the trading counter party	Relationship	Status of transaction				Special terms and conditions of trade and reasons		Notes receivable (payable), accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Total percentage of the accounts and notes receivable (payable) (%)	
Sino-America Silicon Products Inc.	Globalwafers Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	851,754	12%	O/A 135 days	-	-	(96,935)	(4)%	
GWJ	Globalwafers Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	804,375	12%	O/A 60 days	-	-	(213,146)	(9)%	
Globalwafers Co., Ltd.	Actron Technology Corporation	Chairman of the company is also the Chairman of Sino-American Silicon Products Inc.	Sales	(282,361)	(4)%	O/A 60 days	-	-	76,310	3%	

Note: Sino-American Silicon Products Inc sells directly to the related parties. As the sales are deemed as inventory transfer, the sales revenues and related costs are offset in the financial reports and not deemed as sales and costs of Sino-American Silicon Products Inc.

Sino-American Silicon Products Inc. and its subsidiaries
Receivables from related parties for an amount over NT$100 million or 20% of the paid-in capital
December 31, 2015

Attachment VI

Unit: NT$ Thousand

Account receivable company	Name of the trade counterpart	Relationship	Receivables from related parties	Turnover rate	Overdue receivables from related parties		Receivables from related parties with mount received after the reporting date (note)	Allowance for bad debt
					Amount	Process		
Sino-American Silicon Products Inc.	Solartech Energy Corp.	Sino-American Silicon Products Inc. is the key management of Solartech Energy Corp.	169,671	9.59	-	-	169,671	-
Sino-American Silicon Products Inc.	Aleo Solar	Subsidiaries directly held by Sino-American Silicon Products Inc	583,989	3.77	-	-	419,529	-
Sino-American Silicon Products Inc.	SPV	Subsidiaries directly held by Sino-American Silicon Products Inc	373,569	-	-	-	304,022	-
Globalwafers Co., Ltd.	GTI	Subsidiaries directly held by Sino-American Silicon Products Inc	830,939	4.44	-	-	207,700	-
Globalwafers Co., Ltd.	GWJ	Subsidiaries directly held by Sino-American Silicon Products Inc	213,146	6.13	-	-	203,636	-
Sino-America Silicon Products Inc.	Globalwafers Co., Ltd.	Subsidiary directly held by Sino-American Silicon Products Inc	268,195	7.17	-	-	189,450	-
GWJ	Globalwafers Co., Ltd.	Subsidiary directly held by Sino-American Silicon Products Inc	1,038,083	4.94	-	-	959,517	-

Note: as of March 3, 2016, the amount received after the reporting date.

Sino-American Silicon Products Inc. and its subsidiaries
Reinvestment information (not including investments in Mainland China)
From January 1 to December 31, 2015

Attachment VII

Unit: NT$ Thousand / Thousand shares

Name of investing company	Name of invested company	Area	Main Business	The amount of the original investment		Shareholdings at end of period			Net income (loss) of the invested company	Investment gains and losses recognized in the current period	Remarks
				End of this period	The end of last year	Shares	Ratio	Carrying Amount			
Sino-American Silicon Products Inc.	SSTI	British Virgin Islands	The holding company of Sino-American Silicon Products Inc. for overseas investments	1,425,603 (USD 45,255)	1,425,603 (USD 45,255)	48,526	100.00%	1,148,928	(5,938)	(5,938)	Note 1
Sino-American Silicon Products Inc.	Globalwafers Co., Ltd.	Taiwan	Semiconductor silicon wafer materials and components manufacturing and trade	9,822,066	12,017,180	246,293	66.70%	11,155,306	2,044,193	1,518,631	-
Sino-American Silicon Products Inc.	Crystalwise Technology Inc.	Taiwan	Optical wafer and substrate manufacturing and trade	2,010,843	2,010,843	84,848	40.38%	1,487,561	(927,153)	(394,214)	Note 3
Sino-American Silicon Products Inc.	Sino-American Materials Co., Ltd.	Taiwan	EVA film for solar modules manufacturing and sale	90,000	90,000	9,000	90.00%	59,517	(22,660)	(20,476)	-
Sino-American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar cell module manufacturing	112,193	112,193	7,452	24.70%	119,306	3,710	-	-
Sino-American Silicon Products Inc.	Aleo Solar	Prenzlau	Solar cell manufacturing and sale and wholesale of electronic	558,139 (EUR 13,500)	558,139 (EUR 13,500)	(Note 2)	100.00%	479,387	11,778	11,778	Note 3
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Cayman	Reinvestments in various businesses	794,373 USD 24,500)	-	24,500	100.00%	786,748	(26,394)	(26,394)	-
Sino-American Silicon Products Inc.	FZtech Inc.	Taiwan	Power generating business	5,000	-	500	100.00%	5,000	-	-	-
SAS Sunrise Inc.	SAS Sunrise Pte. Ltd.	Singapore	Reinvestments in various businesses	719,292 (USD 22,000)	-	30,934	100.00%	738,886	(9,219)	(9,219)	-

Name of investing company	Name of invested company	Area	Main Business	The amount of the original investment		Shareholdings at end of period			Net income (loss) of the invested company	Investment gains and losses recognized in the current period	Remarks
				End of this period	The end of last year	Shares	Ratio	Carrying Amount			
SAS Sunrise Pte. Ltd.	SPV	Philippines	Power generating business	440,667 (USD 13,435)	-	420,000	40.00%	440,650	(12,105)	(4,842)	-

Name of investing company	Name of invested company	Area	Main Business	The amount of the original investment		Shareholdings at end of period			Net income (loss) of the invested company	Investment gains and losses recognized in the current period	Remarks
				End of this period	The end of last year	Shares	Ratio	Carrying Amount			
SAS Sunrise Pte. Ltd.	AMLED	Philippines	Reinvestments in various businesses	-	-	-	-	-	-	-	Note 4
AMLED	SPV	Philippines	Power generating business	297,229 (USD 9,065)	-	472,500	45.00%	291,781	(12,105)	(5,448)	-
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Italy	Solar cell manufacturing and sale and wholesale of electronic	4,078 (EUR 100)	4,078 (EUR 100)	(Note 2)	100.00%	10,555	4,825	4,825	-
Aleo Solar	Aleo Sunrise	Germany	Solar cell manufacturing and sale and wholesale of electronic materials	863 (EUR 25)	-	(Note 2)	100.00%	5,901)	(6,677)	(6,677)	-
Globalwafers Co., Ltd.	GWI	Cayman	Reinvestments in various businesses	2,241,668 (USD 73,423)	2,241,668 (USD 73,423)	90,000	100.00%	3,428,110	33,046	22,042	-
Globalwafers Co., Ltd.	GSI	Cayman	Business investment and triangular trade center with subsidiaries in China	756,809 (USD 26,555)	756,809 (USD 26,555)	25,000	100.00%	946,021	68,699	45,822	-
Globalwafers Co., Ltd.	GWafers	Japan	Reinvestments in various businesses	5,448,015 (JPY 13,827,513)	5,448,015 (JPY 13,827,513)	(Note 2)	100.00%	8,527,001	1,475,794	984,355	-
GWI	GTI	Texas	Epitaxial silicon wafer production and trade of epitaxy foundry business	2,241,668 (USD 73,423)	2,241,668 (USD 73,423)	1	100.00%	3,428,110	48,934	22,042	Note 3
GWafer	GWJ	Japan	Semiconductor silicon wafer manufacturing and trading	5,484,300 (JPY 13,142,798)	5,484,300 (JPY 13,142,798)	128	100.00%	8,518,693	1,092,363	984,623	Note 3

Note 1: The initial investment amount does not include capitalization from earnings.

Note 2: It is a Limited Company

Note 3: The recognition of investment gains and losses includes investment cost and the amortization amount of the net equity acquired.

Note 4: even the merged company does not hold any equity interest in AMLED, per the agreed terms signed it may control the finance and strategy of this company and obtain all interests derived from its operations and net assets. As a consequence AMLED is deemed as a subsidiary of the Company.

Sino-American Silicon Products Inc. and its subsidiaries
The overview of the investments in Mainland China and the limitations of the investments in Mainland China
From January 1 to December 31, 2015

Attachment VIII

(I) Information of investments in Mainland China

Unit: NT$ Thousand

Names of investees in Mainland China	Main Business	Paid-in Capital	Investment Method	The cumulative amount of investment remitted from Taiwan as of the period began	Current remitted or recovered amount of investment		The cumulative amount of investment remitted from Taiwan as of the period began	Net income (loss) of the invested company	The shareholding ratio of Sino-American Silicon Products Inc. in the direct or indirect investments	Investment Profit or Loss for Current Period (Note 2)	Ending investment carrying amount	The investment income received as of the current period
					outbound remittence	Recovered						
Sino-America Silicon Products Inc.	Silicon rods and silicon wafer processing and trade	769,177 (Note 5)	(Note 1)	713,300 USD21,729)	-	-	713,300 USD21,729)	52,891	66.70%	35,278	920,562	-

(II) The limitations of reinvestments in Mainland China

By company	The cumulative amount of investment remitted from Taiwan to Mainland China as of the period ended	Investment amount approved by the Investment Commission MOEAIC	Investment amount approved by the Investment Commission MOEAIC
Globalwafers Co., Ltd.	713,300 (USD21,729)	818,233 (USD25,000)(Note 3)	10,034,758 (Note 4)

Note 1: Investments in China through GSI

Note 2: Investment gains and losses are recognized in accordance with the audited financial statements.

Note 3: Converted in accordance with the historical exchange rates.

Note 4: It is calculated by having the 60% limit stipulated in the “Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China” by the Investment Commission MOEA on August 29, 2008 multiplied by the net worth of Globalwafers Co., Ltd. on December 31, 2015.

Note 5: It included capitalization from earnings.

6.6 The Impact on the Company’s Financial Status in Cases where the Company or its Affiliates have Financial Difficulties: None.

VII. Review of Financial Conditions, Operating Results, and Risk Management

7.1 Analysis of Financial Status

Unit: NTD $1000

Item \ Year	2015	2014	Difference	
			Amount	%
Current Assets	19,281,427	16,811,804	2,469,623	14.69%
Financial assets available-for-sale	1,373,871	858,637	515,234	60.01%
Financial assets carried at cost	1,362,697	1,403,767	(41,070)	(2.93%)
Investment on equity method	1,606,867	2,004,864	(397,997)	(19.85%)
Fixed Assets	18,904,724	15,243,561	3,661,163	24.02%
intangible assets	701,566	694,238	7,328	1.06%
Other Assets	2,955,184	3,870,245	(915,061)	(23.64%)
Total Assets	46,186,336	40,887,116	5,299,220	12.96%
Current Liabilities	10,070,111	9,791,759	278,352	2.84%
Long-term Liabilities	2,545,519	3,808,667	(1,263,148)	(33.17%)
Other Liabilities	5,001,130	5,703,552	(702,422)	(12.32%)
Total Liabilities	17,616,760	19,303,978	(1,687,218)	(8.74%)
Capital	5,800,312	5,800,312	0	0.00%
Capital Surplus	18,614,691	16,995,509	1,619,182	9.53%
Retained Earnings	1,292,442	772,930	519,512	67.21%
Equity - Other	(2,550,828)	(2,670,512)	119,684	(4.48%)
Treasury Stock	(169,861)	0	(169,861)	—
Non-controlling Interests	5,582,820	684,899	4,897,921	715.13%
Total Equity	28,569,576	21,583,138	6,986,438	32.37%

Note 1：Explain any major changes in assets, liabilities and equity totaling 20% or more or amounting to over NT$10,000,000 or more over the past two years, their effect and future countermeasures:

Explanation 1:

(1) Financial assets available-for-sale: Increased over previous period mainly due to the new investment according to oversea's subsidiary of GlobalWafers Co., LTD.

(2) Investments Accounted for Using Equity Method: Decreased over previous period mainly due to the investment loss of recognized Equity Method.

(3) Other Assets: Decreased over the previous period mainly due to the decrease of long-term payment for raw material.

(4) Long-term Liabilities: Decreased over the previous period mainly due to the decrease of long-term loan for capital requirement.

(5) Retained Earnings: Increased over previous period mainly due to profit increase.

(6) Treasury Stock: Increased over previous period mainly due to purchasing the treasury stock.

(7) Non-controlling Interests: Increased over previous period mainly due to subsidiary GlowbalWafers Co., LTD OTC stock release.

(8) Total Equity: Increased over previous period mainly due to subsidiary GlowbalWafers Co., LTD OTC stock release.

Explanation 2: Their effect and future countermeasures:

The above changes will not have a significant disadvantageous effect on the Company, the Company's overall performance is normal so no countermeasures are needed at this point.

7.2 Analysis of Operating Results

7.2.1. Comparison Analysis of Business Results

Unit: NTD $1000

	2015	2014	Percent Change Increase (Decrease)	(%)
Total Net Revenues	28,269,357	27,821,456	447,901	1.61%
Cost of Revenue	23,998,126	24,323,580	(325,454)	(1.34%)
Gross Profit	4,271,231	3,497,876	773,355	22.11%
Operating Expense	2,034,619	2,051,082	(16,463)	(0.80%)
Operating Profit	2,236,612	1,446,794	789,818	54.59%
Non-Operating Income and Expense	(276,431)	478,248	(754,679)	(157.80%)
Profit before Tax	1,960,181	1,925,042	35,139	1.83%
Income Tax Expense	903,779	625,775	278,004	44.43%
Profit for the Period	1,056,402	1,299,267	(242,865)	(18.69%)
Comprehensive Income for the Period	1,219,342	884,223	335,119	37.90%

Analysis of changes in these ratios:

1. Total Net Revenues: due to market recovery and customer demand increase.
2. Gross Profit: due to revenue growth and appropriate operating cost control.
3. Operating Profit: due to revenue growth and appropriate operating cost and expense control.
4. Non-Operating Income and Expense: due to the loss of financial investment decrease in 2015.
5. Profit before Tax: due to revenue growth and appropriate operating cost and expense control.
6. Income Tax Expense: due to the semiconductor business loss of oversea subsidiary being deduced over in 2015.
7. Profit for the Period: due to revenue growth and appropriate operating cost and expense control.
8. Comprehensive Income for the Period: due to revenue growth and appropriate operating cost and expense control.

7.3 Analysis of Cash Flow

7.3.1 Liquidity Analysis for the Recent Two Years

Item	2015	2014	Change (%)
Current Ratio (%)	(7.11) %	(17.55)%	(43.35)%
Cash Flow Adequacy Ratio (%)	(6.95)%	14.83%	(53.14)%
Cash Flow Reinvestment Ratio (%)	(3.88)%	(2.79)%	39.07%

Analysis of changes in these ratios:

1. The cash flow ratio decreased over the previous period mainly due to increase amount of inventory in 2015 that resulted in net outflow from operating activities.
2. The cash flow adequacy ratio decreased over the previous period mainly due to increase amount of inventory in 2015 that resulted in net outflow from operating activities.
3. The cash flow reinvestment ratio increased over the previous period mainly due to increase amount of inventory in 2015 that resulted in net outflow from operating activities.

7.3.2 Cash Liquidity Analysis for the Following Year

Unit: NTD $1000

Initial cash balance	Annual operating net cash flow	Annual net cash outflow	Amount of cash surplus (shortfall)	Remedial measures for Cash shortfall	
				Investment plan	Financial plan
1,279,123	672,908	643,168	1,308,863	—	Bank Loan

1.2016 cash flow analysis:

A. Operating activities: the Company expects sales and profits to maintain flat and is expected to generate a net cash inflow.

B. Investment activities: the Company plans to receive cash dividends from the investment company to pay for domestic investments, capital expense and dividend distribution of which the surplus will generate a net cash inflow.

C. Financing activities: net cash outflow mainly from long-term loans refund.

2. Remedy measures for expected capital shortfalls and liquidity analysis: Subsidiary stock dividend inflow.

7.4 Major Capital Expenditure Items influence on Financial Business

7.4.1 Major Capital Expenditure Items and Source of Capital: NA

7.4.2 Forecast possible resulting effects: NA

7.5 Recent Reinvestment Policy, Major Reasons for Profits or Losses, Improvement Plan and Investment Plan for the Following Year

1.Reinvestment policy

The Company's reinvestment policy is gradually implemented based on the Company's future operating direction. At this stage, the focus has been on strategic alliance or reinvestment of high-value section in solar industrial chain for operating synthesis.

2.Major reasons for reinvestment profits or losses, improvement plans and investment plan for the following year:

Unit: NTD $1000

Reinvested Company	2015 Profits (Losses) Recognized	Major Reasons For Profits Or Losses	Improvement Plan	Investment Plant For Following Year
Sino Silicon Technology Inc.	(5,938)	Interest income from certificate deposit	None	None
GlobalSemiconductor Inc.	45,822	Profit gained from booming market demands	None	None
GlobalWafers Co., Ltd.	1,518,631	Profit gained from booming market demands	None	None
GlobiTech Incoporated(GT)	22,042	Profit gained from booming market demands	None	None
GlobalWafers Inc.(GWI)	22,042	Recognition of investment income due to organizational restructuring	None	None
Kunshan Sino Silicon Technology Co., Ltd.	35,278	Profit gained from booming market demands	None	None
Crystalwise Technology	(394,214)	Operating loss recognized owing to disorder in market supply/demand	Explore more new customers with new process development to raise product competitiveness	None
GWwafers Inc.	984,355	Recognition of GWJ interests by investors of GWJ	None	None
Gloalwafers Japan Co., Ltd. (GWJ)	984,623	Profit gained from booming market demands	None	None
Sino-American Materials Corp.	(20,476)	Recognition of not get the profit and loss balance point during the research process	None	None
Accu Solar Corporation	—	—	None	None
Aleo Solar GmbH	11,778	Profit gained from booming market demands	None	None
SAS Sunrise Inc.	(26,394)	Recognition of no operation and no revenue from power generation fab.	None	None
Sunrise PV World Co.	-	New opening status and no profit and loss happen	None	None
SAS Sunrise Pte. Ltd.	(9,219)	Recognition of no operation and no revenue from power generation fab.	None	None
Sulu Electric Power and Light Inc. (SPV)	(10,290)	Recognition of no operation and no revenue	None	None

		from power generation fab.		
Aleo Solar Distribuzion Italia S.r.l.	4,825	Profit gained from booming market	None	None
Aleo Sunrise GmbH	(6,667)	Recognition of no revenue during the construction stage in German cell plant.	None	None

7.6 Analysis of Risk Management

7.6.1 Corporate Structure For Risk Management

Board of Directors	Monitor government laws, review corporate regulations and ensure effectiveness of operation and risk management
President's office	Risk management of operation, laws, crisis evaluation and countermeasure
MIS	Risk management of Information Technology
Audit	Connection of operation goal, risk tolerance and strategy, actively assist affiliated risks of enterprise group.
Administration	Evaluate and assess interest rate, forex rate, finance, current, credit and human resources risks. Responsible for financial risks management and countermeasure.
Procurement	Carefully monitor to prevent monopoly and forcing up price, also cooperate with various suppliers for risk diversification
Sales	Assess market risks and take countermeasure; in charge of Accounts Receivables to secure orders.
Manufacturing	Manage production and quality, exception, utilization of raw materials, plant constructions and maintenances, expansion preparation and execution.
Research & Development	Risk management of product design and life cycle, and draft countermeasure.
SAS has specific system to monitor production and manufacturing risk: Responsible unit: RD analyzes rivals' patents via TIPS & APQPS while developing new product; fabricate strategy to avoid patent conflict so as to ensure rights of SAS as well as clients. Keep up with technology trend to grasp insight of product life cycle. Manufacturing unit regularly review the possibility of adopting new process and improvement of present procedure according to product functions and complaints, so as to prevent risks.	

7.6.2 Effect of Interest Rate, Exchange Rate Changes and Inflation on Company Profit / Losses and Countermeasures:

Item	2015 (NTD:1,000; %)
Net Interest Income	(59,044)
Net Forex Loss	52,107
Net Interest Income as percentage of net revenue	(0.49)%
Net Interest Income as percentage of Earnings Before Tax	(8.82)%

Net Forex Income as percentage of net revenue	0.44%
Net Forex Income as percentage of Earnings Before Tax	7.79%

(1)**Interest Rate**

2015 short/long-term loans adopt floating interest rate, market rate variation also affects effective Interest rate and future cash inflow. One hiking market rate results in cash outflow of NTD$8,750,000.

(2)**Exchange Rate**

The company takes exports/ imports in foreign currency. Owing to changes in industry, almost all foreign currencies hedged in 2015. SAS severely monitors balance, no major influence on operation.

(3)**Inflation**

Oil price decreased in 2015, no obvious inflation to international material price. Owing to keen competition between our suppliers, procuring cost reduces. In terms of production cost, inflation causes no major influence.

7.6.3 Risks Associated with High-risk/High-leveraged Investment; Lending, Endorsements, and Guarantees for Other Parties; and Financial Derivative Transactions, major reasons for profit and losses and countermeasures:

The company does not engage in high risk, high leveraged transactions or derivative financial products. The Company has severe internal control and regulations upon derivative products, executing department also strictly review and monitor according to relevant governing regulations, causing no impact on operation. In response to subsidiary operating requirements, the Company does not lend any fund to other companies according to "Procedures for Endorsement and Guarantee" and "Procedures for Lending Funds to Other Parties" of the Company. The Company made endorsement and guarantees to subsidiaries in the aggregate amount of NTD $ 2,964,856 as of the date of this Annual Report.

7.6.4 Future Research & Development Projects and Corresponding Budget

Recent Year Plan	Current Status	Future R&D expense estimate	Mass product target date	Determinants
1.5Ton solar multi crystal growth of ultra-high efficient and ultra-low energy consumption, and super low reflective wafer's technology development	Output the 1st 10KG crystal	NTD 90 million	2016.12	G8 multi puller and hot-zone design
A^{6+} multicrystal growth technology development	Efficiency reaches 19.6%	NTD 100 million	2016.12	Grower design on structure, hot zone and heat preservation
Energy Saving multicrystal growth technology development	Electricity consumption of ingot down to 9.5 degree per kg	NTD 40 million	2016.12	G6 Grower design on structure, hot zone and heat preservation
$G6^{+}$multi-crystal grower technology development	Recharging 900kg per grower	NTD 40 million	2016.12	Grower design on structure, hot zone and heat preservation
High strength solar wafer development	Flexure strength>20% (compare with Nano wafer)	NTD 50 million	2016.12	High strength technology and patented innovation technology

Ultra-high efficiency P-type mono-crystal cell development	P-Type Mono Celco Efficiency~0.80%	NTD 100 million	2016.12	Leading in advanced technology and special cell design
Ultra-high efficiency P-type multi-crystal cell development	P-Type Multi Celco Efficiency~19.20%	NTD 100 million	2016.12	Leading in advanced technology and special cell design
Ultra-high efficiency N-type mono-crystal cell development	Under development	NTD 720 million	2017.Q4	New process technology development
Development of complex bus electrode technology	Under development	NTD 40 million	2016.12	Leading in advanced technology and special cell design
Advanced plating technology development	Under development	NTD 50 million	2017.Q4	Leading in advanced technology and special cell design
Double-side solar wafer	In Development	NTD 45 million	2016.12	Leading in advanced technology and special cell design

7.6.5 Impact of the Company's Financial Operations of Important Policies Adopted and Changes in the Local and International Legal Environment, and Countermeasures:

Besides the daily operating in compliance with relevant laws and regulations at home and abroad, the company also pays attention to the policy development trend and changes in order to grasp the market environment changes with timely feasible countermeasures. So far as no significant changes have occurred at home and abroad to influence the financial status of the company.

7.6.6 Impact of Technological Change and Industry Changes upon the Financial Standing of the Company and the Countermeasures:

The market for solar wafers and cells rose up from the second half of 2015, and so relatively stable on semiconductor business. With the transferring investment benefit, the company still can maintain a certain level of profitability and lead the business to healthy way. Being vertical integration through the group resources, to lock up the solar market with special product and technology and improve the international competition level. The semiconductor business will continuously complex the resources of Taiwan, US, Japan and China to come out the most efficient capacity allocation.

7.6.7 Impact of Changes in Company Image on Crisis Management and Countermeasures:

The company insists on the business guideline of Integrity, professional, team, innovation while it was established, with the principle of good faith, with a friendly, focused, positive and professional spirit, to stimulate the creativity of individuals, to show the company’s unique culture according to good team-work, technology and management innovation. The company won the 2nd corporate governance rating "OTC companies ranked in the top five percent" performance on April, 2015 again, it witness how the company strives to transparency and sustainable management of the determination. Meanwhile, the company will continue to uphold the principle of good faith to show the blueprint of corporate governance, to strengthen the company constitution in order to improve the operating performance and practice of corporate social responsibility

7.6.8 Expected Benefits and Possible Risks Associated With any Merger and Acquisitions:

No any merger and acquisitions till the published date of this annual book.

7.6.9 Expected Benefits and Possible Risks Associated with any Plant Expansion:

In response to the growing demand for the market, the company will be cautious in expanding solar silicon wafers, cells and modules but improve technology, provide different products to shape the company's core competitive advantage, to accurate grasp of customer needs, to provide customers with a full range of products and services and win more business opportunities.

7.6.10 Risks Associated with any Consolidation of Sales or Purchasing Operations: None

7.6.11 Effect and Risk of Large Sale or Transfer of Shares by Directors, Supervisors or Top Ten Shareholders and Countermeasures: None

7.6.12 The Impact of Change in Management and its Potential Risks: None

7.6.13 Litigation or Non-litigation Matters

Major ongoing lawsuits, non-lawsuits or administrative lawsuit, ongoing lawsuits, non-lawsuits or administrative lawsuits caused by directors, supervisors or shareholders with over 10% shareholdings:

In Mar. 2015, Hemlock Semiconductor Pte. Ltd. filed a lawsuit against the New York court of the United States to claim that the company in violation of part of raw materials of silicon supply content and requested for compensation. The company has made a plea to deny Semiconductor Pte. Ltd. Hemlock's claim, and has been appointed by the United States Attorney processing proceedings. At present, the case is still in the initial stage of the Discovery process, there is no future development from the judgment of the future.

7.6.14 Other major risks and countermeasures:

Key performance Indicator, KPI

Being an manufacturer, below KPI are crucial:

1.Finance

2015 accounts receivable rate – 6.24

2015 accounts payable rate –58

Inventory turnover rate – 7.06

Fixed asset turnover rate – 1.79

Total asset turnover rate – 0.38

Accounts receivable rate & Accounts payable rate are critical KPI for operation fund.

2.Customer structure

Customer satisfaction, complaints and after service are our crucial KPI. 2015 customer satisfaction scores 84.8.

3.Internal procedure

2015 inventory turnover rate – 7.06
The company equips with internal procedure for severe monitoring on defect rate.
Preferred shipping date/location, the company always achieves.

4.Learning and career advancement

2015 revenue/employee – NT$6,794,000
Training (internal/external) – 14,070 (people)
SAS advocates IT capability regularly via training classes.
Patents: 194 (domestic/abroad)
(2015.01.01～ the printing date of this annual book)

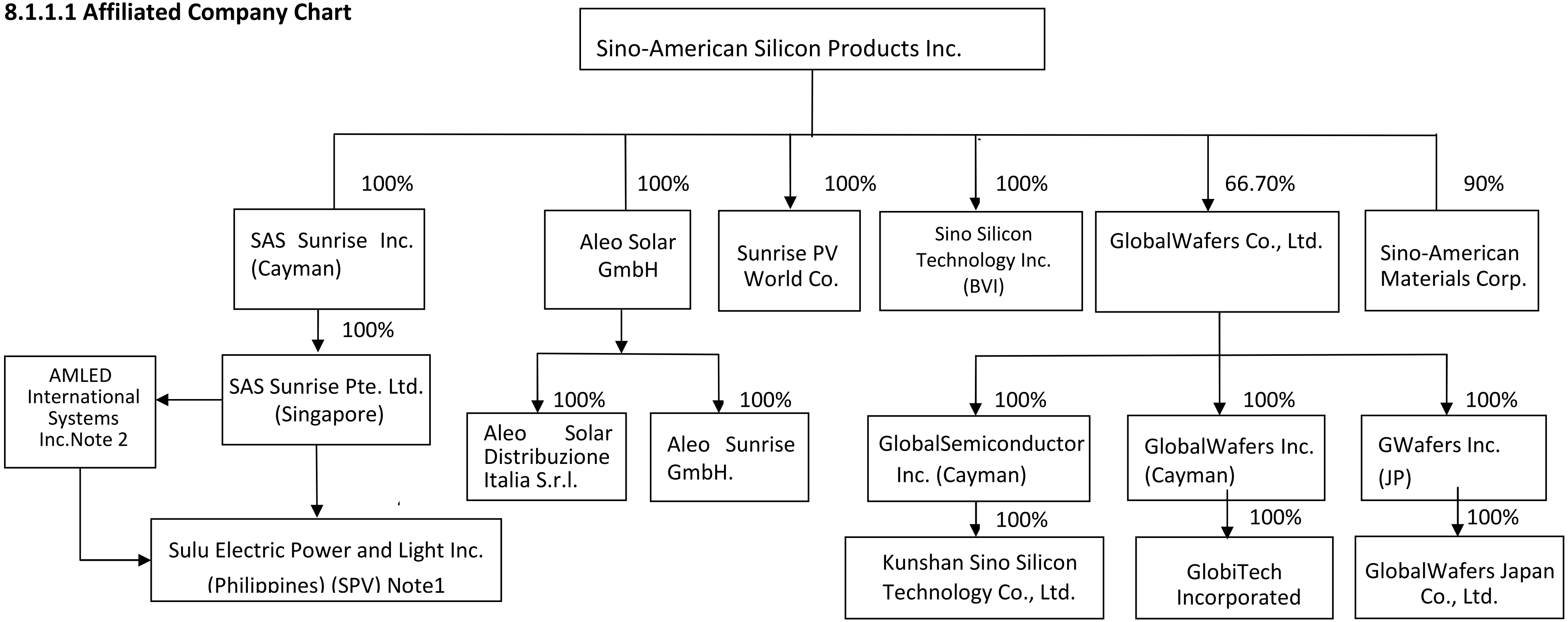
7.7 Other Major Events: None

VIII. Special Disclosure

8.1 Affiliated Businesses

8.1.1 Affiliated Business Consolidated Business Report

8.1.1.1 Affiliated Company Chart



Note1: The consolidated company has a SPV lower than 50% of the voting rights, but through the SPV and other investment in the human world effective agreement can control the company's financial and operational strategies, SPV is regarded as a subsidiary.

Note2: The merge has not hold the AMLED owner’s equity, but in accordance with the individual signed agreement can control the company's financial and operational strategies, and obtain its operating and net assets of all interests, AMLED is regarded as a subsidiary.

8.1.1.2 Relationship with Affiliated Companies and Share Crossholdings

Unit: US $1000

Name of affiliated company	Establishment	Address	Paid-in Capital	Major Business Items
Sino Silicon Technology Inc.	1999.08.05	3rd Floor, Omar Hodge building, Wickhams Cay 1, P.O. Box362, Road Town, Tortola British Virgin Islands	USD 48,526	Shareholding, international trading
GlobalWafers Co., Ltd.	2011.10.01	No. 8. Industrial East Road 2, Hsinchu Science Park, Taiwan	NTD 3,175,000	Silicon-based semiconductor materials and their components manufacturing, selling
GlobalWafers Inc.	2012.05.11	1st Floor, Windward 1, Regatta Office Park, P.O. Box 10338, Grand Cayman KY1-1003	USD 1	Invest various business
GlobalSemiconductor Inc.	2012.05.11	1st Floor, Windward 1, Regatta Office Park, P.O. Box 10338, Grand Cayman KY1-1003	USD 26,555	Invest various business and trilateral trade center with its subsidiary in China
GWafers Inc.	2012.10.25	6-861-5, Seiro-machi Higashiko, Kitakanbara-gun, Niigata Prefecture 957-0197, Japan	JPY 8,000	Invest various business
Kushan Sino Silicon Technology Company	1999.08.01	Kushan industrial park, Kushan City, Jiangsu Province, China	USD 26,555	Processing trades of silicon ingot etc.
GlobiTech Incorporated	1998.12.15	200 FM 1417 West/Sherman, TX 75092, U S A	USD 1	Epitaxial wafer and EPI foundry trade
GlobalWafers Japan Co., Ltd.	2011.04.01	6-861-5, Seiro-machi Higashiko, Kitakanbara-gun, Niigata Prefecture 957-0197, Japan	JPY 6,967,000	Semiconductor wafer manufacturing, selling
Aleo Solar GmbH	2014.01.23	Marius Eriksen-Str. 1, 17291, Prenzlau, Germany	EUR 13,500	Solar module manufacturing and sales
Aleo Solar Distribuzione Italia S.r.l	2014.05.16	Value Trento e Trieste 12/A 31100 Treviso, Italy	EUR 100	Solar module sales
Aleo Sunrise GmbH	2015.08.24	Marius-Eriksen-Str.1,17291 Prenzlau, Germany	EUR 25	Solar cell manufacturing and sales
Sino-American Materials Corp.	2014.05.30	No.16, Kuang-Fu North Rd., Hu-kou Township, Hsinchu County	NTD 100,000	Renewable energy source and green building material equipment and system development, manufacturing and sales
SAS Sunrise Inc.	2015.06.04	Floor 4, Willow House, Cricket Square, P O Box 2804, Grand Cayman KY1-1112, Cayman Island	USD 245,000	Investment on kinds of business.
SAS Sunrise Pte. Ltd.	2015.12.01	8 Wilkie Road #03-01 Wilkie edge Sinagpore	USD 22,000	Investment on kinds of business.
Sulu Electric Power and Lights Inc	2014.01.17	Eastwood, New National Highway, Barangay Salvacion, Municipality of Palo, Leyte, Philippines	PHP 1,050,000	Power generation business

AMLED International Systems Inc.	2015.01.09	3B Bakawan Bldg., Westmont Village, 8227 Dr. Santos Ave., Paranaque city, Philippines	PHP 3,000	Investment on kinds of business.
Sunrise PV World Co.	2015.12.09	No.1 Sec. 2 Ligong 1st Rd., Chengyu village, Wujie Township, Yilan	NTD 5,000	Power generation business

8.1.1.3 Common Shareholders of SAS and Its Subsidiaries or Its Affiliates with Actual of Deemed Control: None

8.1.1.4 Business Scope and the Affiliated Companies

The Company and its affiliated enterprises engage in below business:

A. Research and development, design, manufacture and sell the following products:
(a) Silicon-based semiconductor materials and their components
(b) Varistor
(c) Photovoltaic and communication materials
(d) Sapphire wafer and patterned substrate
B. The technology, management and advisory business related to the products listed above.
C. Photovoltaic system integration and installation services.
D. Import-export activities related to the above mentioned business.

8.1.1.5 List of Directors, Supervisors and Presidents of Affiliated Companies

2015/12/31; Unit: USD $1000

<table>
<tr><th rowspan="2">Name of affiliated company</th><th rowspan="2">Title</th><th rowspan="2">Name or representative</th><th colspan="2">Shares held</th></tr>
<tr><th>Shares or capital contribution</th><th>%</th></tr>
<tr><td>Sino Silicon Technology Inc.</td><td>Director</td><td>Sino-American Silicon Products Inc.
Representative: Ming-Kuang Lu</td><td>48,526,237 Shares</td><td>100%</td></tr>
<tr><td rowspan="8">GlobalWafers Co., Ltd.</td><td>Chairwoman/ President</td><td>Hsiu-Lan Hsu</td><td rowspan="8">246,293,000 Shares</td><td rowspan="8">66.70%</td></tr>
<tr><td>Director</td><td>Sino-American Silicon Products Inc.
Representative: Ming-Kuang Lu</td></tr>
<tr><td>Director</td><td>Sino-American Silicon Products Inc.
Representative: Tan-Liang Yao</td></tr>
<tr><td>Director</td><td>Kuo-Chou Chen</td></tr>
<tr><td>Independent Director</td><td>Chieh-Hsiun Cheng</td></tr>
<tr><td>Independent Director</td><td>Chun-Yen Chang</td></tr>
<tr><td>Independent Director</td><td>Ming-Chang Chen</td></tr>
<tr></tr>
<tr><td rowspan="2">GlobalWafers Inc.</td><td>Director</td><td>Hsiu-Lan Hsu</td><td rowspan="2">90,000,000 Shares</td><td rowspan="2">100%</td></tr>
<tr><td>Director</td><td>Einoshin Endo</td></tr>
<tr><td>GlobalSemiconductor Inc.</td><td>Director</td><td>Hsiu-Lan Hsu</td><td>25,000,000 Shares</td><td>100.%</td></tr>
<tr><td rowspan="2">GWafers Inc.</td><td>Director</td><td>Hsiu-Lan Hsu</td><td rowspan="2">0 Share</td><td rowspan="2">100%</td></tr>
<tr><td>Director</td><td>Einoshin Endo</td></tr>
<tr><td rowspan="6">Kushan Sino Silicon Technology Company</td><td>Chairman</td><td>GlobalWafers Co., Ltd.
Representative: Tan-Liang Yao</td><td rowspan="6">0 Share</td><td rowspan="6">100%</td></tr>
<tr><td>Vice Chairwoman</td><td>GlobalWafers Co., Ltd.
Representative: Hsiu-Lan Hsu</td></tr>
<tr><td>Director/ President</td><td>GlobalWafers Co., Ltd.
Representative: Ching-Chang Chin</td></tr>
<tr><td>Director</td><td>GlobalWafers Co., Ltd.
Representative: Sheng-Hsiung Hong</td></tr>
<tr><td>Director</td><td>GlobalWafers Co., Ltd.
Representative: Ming-Huei Chien</td></tr>
<tr><td>Supervisor</td><td>GlobalWafers Co., Ltd.
Representative: Wei-Wen Chen</td></tr>
<tr><td rowspan="5">GlobiTech Incorporated</td><td>Chairman/CEO</td><td>GlobalWafers Co., Ltd.
Representative: Hsiu-Lan Hsu</td><td rowspan="5">1,000 Share</td><td rowspan="5">100%</td></tr>
<tr><td>Director</td><td>GlobalWafers Co., Ltd.
Representative: Ming-Kuang Lu</td></tr>
<tr><td>Director</td><td>GlobalWafers Co., Ltd.
Representative: Tan-Liang Yao</td></tr>
<tr><td>Director/ President</td><td>GlobalWafers Co., Ltd.
Representative: Mark England</td></tr>
<tr><td>Director</td><td>GlobalWafers Co., Ltd.
Representative: Curtis Hall</td></tr>
<tr><td rowspan="5">GlobalWafers Japan Co., Ltd.</td><td>Chairman</td><td>GlobalWafers Co., Ltd.
Representative: Hsiu-Lan Hsu</td><td rowspan="5">128,002 Shares</td><td rowspan="5">100%</td></tr>
<tr><td>Director</td><td>GlobalWafers Co., Ltd.
Representative: Ming-Kuang Lu</td></tr>
<tr><td>Director</td><td>GlobalWafers Co., Ltd.
Representative: Tan-Liang Yao</td></tr>
<tr><td>Director</td><td>GlobalWafers Co., Ltd.
Representative: Takeshi Araki</td></tr>
<tr><td>Director</td><td>GlobalWafers Co., Ltd.
Representative: Einoshin Endo</td></tr>
</table>

	Supervisor	GlobalWafers Co., Ltd. Representative: Chung Wei Lee		
Aleo Solar GmbH	No board of directors		0	100%
Aleo Solar Distribuzione Italia S.r.l	No board of directors		0	100%
Aleo Sunrise GmbH	No board of directors		0	100%
Sino-American Materials Corp.	Chairman	Sino-American Silicon Products Inc. Representative: Sheng-Cheng Tseng	9,000,000 shares	90%
	Director	Sino-American Silicon Products Inc. Representative: Hsiu-Lan Hsu		
	Director	Sino-American Silicon Products Inc. Representative: Ching-Lung Chang		
	Director	Tang-Liang Yao		
SAS Sunrise Inc.	Director/ President	Sino-American Silicon Products Inc. Representative: Cheng-Hung Huang	24,500,000 shares	100%
	Director	Sino-American Silicon Products Inc. Representative: Ming-Kuang Lu		
	Supervisor	Sino-American Silicon Products Inc. Representative: Hsiu-Lan Hsu		
SAS Sunrise Pte. Ltd.	Director	Sino-American Silicon Products Inc. Representative: Ming-Kuang Lu	30,934,300 shares	100%
	Director	Sino-American Silicon Products Inc. Representative: Hsiu-Lan Hsu		
	Director	Sino-American Silicon Products Inc. Representative: Tan-Liang Yao		
	Director	Sino-American Silicon Products Inc. Representative: Cheng-Hung Huang		
	Director	Sino-American Silicon Products Inc. Representative:Woo Heng Thong		
Sulu Electric Power and Lights Inc.	Chairman	Sino-American Silicon Products Inc. Representative: Cheng-Hung Huang	892,500,000 share	85%
	Director/ President	Sino-American Silicon Products Inc. Representative:Woo Heng Thong		
	Director	Sino-American Silicon Products Inc. Representative: Mike da silva		
	Director	Sino-American Silicon Products Inc. Representative: Gilbert S. Castro		
	Director	Sino-American Silicon Products Inc. Representative: Magdalena Dela Cruz		
AMLED international System	Director/ President	Michael Da Silva	0	0%
	Director	Gilberto Castro		
	Director	Magdalena Dela Cruz		
	Director	Alfonso Dela Cruz		
	Director	Thess Quicho		
	Director	Melekon Constructions, Inc. Representative: Ted Reyes		
Sunrise PV World Co.	Chairman	Sino-American Silicon Products Inc. Representative: Ming-Kuang Lu	500,000 share	100%
	Director/ President	Sino-American Silicon Products Inc. Representative: Cheng-Hung Huang		
	Director	Sino-American Silicon Products Inc. Representative: Hsiu-Lan Hsu		
	Supervisor	Sino-American Silicon Products Inc. Representative: Tan-Liang Yao		

8.1.1.6 Operation Highlights of Affiliated Companies

Financial status and operation of affiliated companies

2015/12/31 Unit: NTD $1000

Name Of Affiliated Company	Capital	Assets	Liabilities	Net Worth	Operating Income	Operating Profit	Income (After Tax)	EPS (After Tax)
Sino Silicon Technology Inc.	1,425,603	1,157,143	8,215	1,148,928	0	-1	-5,938	0.00
Kushan Sino Silicon Technology Company	769,177	1,304,464	383,902	920,562	1,929,484	29,190	52,891	0.00
GlobiTech Incorporated	1	4,391,775	1,863,635	2,528,140	3,928,823	37,886	48,934	0.00
GlobalWafers Inc.	1	3,428,110	0	3,428,110	0	0	33,046	0.00
GlobalSemiconductor Inc.	756,809	946,196	175	946,021	34,203	15,859	68,699	
GlobalWafers Co., Ltd.	3,692,500	19,138,755	2,414,158	16,724,597	6,898,559	599,972	2,044,193	0.00
GWafers	2,713	8,527,331	330	8,527,001	0	-87	1,475,794	0.00
GlobalWafers Japan Co.,	2,750,510	13,638,516	3,747,063	9,891,453	10,075,880	1,634,154	1,092,363	0.00
Aleo Solar GmbH	558,139	1,715,474	1,233,725	481,749	2,689,913	6,780	11,778	0.00
Aleo Solar Distribuzione Italia S.r.l	4,078	90,347	79,792	10,555	291,510	4,329	4,825	0.00
Sino-American Materials Corp.	100,000	77,464	11,334	66,130	55,118	-23,100	-22,660	0.00
SAS Sunrise Inc.	794,373	813,783	27,035	786,748	0	-18,382	-26,394	0.00
Sulu Electric Power and Light Inc.	737,896	2,375,290	1,627,601	747,689	0	-2,302	-12,105	0.00
AMLED International Systems Inc.	0	0	0	0	0	0	0	0.00
Aleo Sunrise GmbH	863	99,242	105,143	-5,901	0	-6,677	-6,677	0.00
SAS Sunrise Pte. Ltd.	719,292	727,927	0	727,927	0	-2	-3,783	0.00
Sunrise PV World Co.	5,000	5,000	0	5,000	0	0	0	0.00

Foreign exchange rate as of 2015/12/31 USD:NTD=1:32.825 JPY:NTD=0.2727:1 EUR:NTD=35.88:1

Note1：All affiliated enterprises shall be disclosed regardless of operation scale

Note2：If an affiliated enterprise is foreign, related figures shall be exchanged to NTD as of the report date.

8.1.2 Consolidated Financial Statements of Affiliated Enterprises

Independent Auditors' Report

The Board of Directors
Sino-American Silicon Products Inc.

We have audited the accompanying consolidated statements of financial position of Sino-American Silicon Products Inc. and subsidiaries (collectively, the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income or loss and comprehensive income, statements of changes in stockholders' equity, and cash flows for the years ended December 31, 2015 and 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial reports of SAS and its subsidiary, which are long-term investment under the equity method, and those financial statements were audited by other auditors. Those reports have been furnished to us, and our opinion, insofar as it relates to the differences between acquisition cost and identifiable net assets, for which we have performed the required procedures and adjusted accordingly is based solely on the reports of the other auditors. The total reinvestment amount of the above subsidiaries were NT$1,487,561 thousand and NT$2,004,864 thousand (respectively 3% and 5% of consolidated total assets) as of December 31, 2015. The related equity-method long-term investment balances were NT$(394,214) thousand and NT$(55) thousand respectively of (20)% and 0% of consolidated net income before tax as of 2014 and 2013.

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

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sino-American Silicon Products Inc and subsidiaries as of December 31, 2015 and 2014, and the results of their consolidated operations and their consolidated cash flows for the years ended December 31, 2015 and 2014, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

In addition, we have audited the parent-company-only financial statements of Sino-American Silicon Products Inc. as of and for the years ended December 31, 2015 and 2014, on which we have issued a modified unqualified opinion.

KPMG
Hsinchu, Taiwan (the Republic of China)
March 22, 2016

8.1.3 Consolidated Financial Statements of Affiliated Enterprises

Please refer to 6.4 of the audited consolidated financial statements of 2015.

8.1.4 Affiliation Reports: Not applicable.

8.2 Private Placement Securities in the Most Recent Years: NA

8.3 The Shares in the Company Held or Disposed of By Subsidiaries in the Most Recent Years: NA

8.4 Other Necessary Supplement: NA

8.5 Any Events And as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Rights or Security Prices as Stated in Item 2 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: NA

(END)