Stock code: 5483

Sino-American Silicon Products Inc.
and subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2015 and 2014
(Independent Auditor's Report enclosed)

Company address: No. 8. Industrial East Road 2, Hsinchu Science Park, Taiwan, R.O.C.

Tel.: (03) 577-2233

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

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	2015/12/31	2014/12/31
Balance Sheet		
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

Newly released / modified / amended standards and interpretations	Effective date of IASB's announcement
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:

			Ownership (%)	
Name	**Name of subsidiary**	**Main Business Activities**	**2015.12.31**	**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. and Subsidiaries Notes to the Consolidated Financial Statements (continued)

Name	Name of subsidiary	Main Business Activities	Ownership (%) 2015.12.31	Ownership (%) 2014.12.31
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 to as "GWI")	Investments in various businesses	100%	100%
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%

Name	Name of subsidiary	Main Business Activities	Ownership (%) 2015.12.31	Ownership (%) 2014.12.31
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)

In case there is movement between fair value hierarchy, the Companies should recognize such movement at the reporting date. For relevant information of the assumption adopted when measuring fair value please refer to Note 6 (31) as follows:

VI. DETAILS OF SIGNIFICANT ACCOUNTS

(I) Cash and cash equivalent

		2015.12.31	2014.12.31
Cash	$	1,038	1,027
Bank deposits		4,718,797	3,534,086
Deposit account		1,182,132	1,855,469
Cash and cash equivalents in the Statement of Cash Flow	$	**5,901,967**	**5,390,582**

Disclosure of interest rate risk and sensitivity analysis of the Company's financial assets and liabilities please refer to Note 6 (31)。

(II) Financial assets at fair value through profit or loss

		2014.12.31
Financial assets at fair value through profit or loss		
Beneficiary certificates – Open End Fund	**$**	**5,225**

(III) Notes and accounts receivable, net

		2015.12.31	2014.12.31
Notes receivable	$	149,604	121,515
Accounts receivable		5,864,378	4,647,288
Less: Allowance for bad debt		(60,987)	(51,854)
Allowance for sales returns and allowances		(2,328)	(5,158)
	$	**5,950,667**	**4,711,791**

Changes in allowance for bad debt of accounts receivable are as follows:

		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:

	Main business venue/	% of ownership interests under non-controlling interests as well as the voting rights	
Name of subsidiary	**Countries which parent company registered**	**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

	Land	Building	Machinery equipment	Other equipment	Construction in progress and quarantined equipment	Total
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.

(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 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
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 related party)	2,712,748	(2,712,748)	(2,712,748)	-	-	-	-
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			
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 available-for-sale－non-current	$ 1,373,871	1,373,871	-	-	1,373,871
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	-	-	-	-

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
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	-	-	-	-
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 by the parent company.	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) (%)	
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

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.	SPV	Philippines	Power generating business	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				
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.