Stock code: 5483

Sino-American Silicon Products Inc.

Individual financial report

December 31, 2014 and 2013
(Independent Auditor's Report enclosed)

Company address: No. 8. Industrial East Road 2, Hsinchu Science Park, Taiwan, R.O.C.
Tel.: (03) 577-2233

Contents

Independent Auditor's Report

The Board of Directors of Sino-American Silicon Products Inc.

We have audited the accompanying balance sheets of Sino-American Silicon Products Inc as of December 31, 2014 and 2013 as well as the related statements of income, changes in retained earnings and cash flows for the January 1 to December 31, 2014 and 2013. These Individual financial report are the responsibility of the Company's management. Our responsibility is to express an opinion on the Individual financial report based on our audits. For investments under the equity method of Sino-American Silicon Products Inc, the financial reports of part of the long-term equity investments were not audited by us but by other independent auditors. We have performed the necessary audit procedures on the financial statements of the invested companies that were audited by other CPAs due to the adjusted differences between the net recognizable assets acquired and the acquisition price. Therefore, our opinions on the adjusted amount of the invested companies in the individual financial statements referred to above were based on the reports of other independent auditors. The Company's investments referred to above amounted to NT$2,004,864 thousand and NT$3,668,256 thousand, representing 6% and 12% of the total assets as of December 31, 2014 and 2013, respectively. The profit and loss from the subsidiary under the equity method and affiliates amounted to (NT$55 thousand) and (NT$207,934 thousand), representing 0% and (171%) of the net income before taxes in 2014 and 2013, respectively.

We conducted our audits in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. Those regulations and standards require that we plan and perform the audit to obtain a reasonable assurance about whether the individual financial statements are free of any material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the individual financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall individual financial statement presentation. We believe that our audits and the audit report issued by other CPAs provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the individual financial statements referred to above present fairly, in all material respects, the financial position of Sino-American Silicon Products Inc as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the January 1 to December 31, 2014 and 2013 and are in conformity with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers."

KPMG CPA

Independent Accountants	:	M.Y. Tseng Y.H. Huang
Securities authority approved and certified document No.	:	(88) Tai-Tsai-Chen (VI) No. 18311 FSC.Certificate Shen.Zi No. 1010004977

March 30, 2015

2014 FINANCIAL STATEMENTS

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Financial Position

December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

Assets		December 31, 2014	%	December 31, 2013	%
Current assets:					
Cash and cash equivalents	$	1,460,560	5	343,226	1
Notes and trade receivable, net		1,110,375	3	706,546	2
Accounts receivable from related parties		397,283	1	372,171	1
Inventories, net		1,387,777	4	891,129	3
Prepayments for materials		627,068	2	858,701	3
Other current assets		175,582	—	148,731	1
Other financial assets – current		264	—	24	—
		5,158,909	15	3,320,528	11
Non-current assets:					
Available-for-sale financial assets – non-current		858,637	3	1,000,245	4
Financial assets carried at cost – non-current		867,323	3	795,028	3
Investments accounted for using equity method		16,234,271	53	17,710,460	60
Property, plant and equipment, net		5,999,176	19	3,882,361	13
Intangible assets		17,785	—	—	—
Deferred income tax assets		176,288	1	252,907	1
Long-term accounts receivable from related parties		—	—	—	—
Other financial assets – non-current		66,073	—	43,110	—
Long-term prepayments for materials		1,791,500	6	2,404,767	8
		26,010,993	85	26,088,878	89
Total Assets	$	**31,169,902**	100	**29,409,406**	100

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Financial Position (continued)

December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

Liabilities and Stockholders' Equity		**December 31, 2014**	%	**December 31, 2013**	%
Current liabilities:					
Short-term borrowings	$	750,000	3	1,107,171	4
Notes and accounts payable		974,128	3	1,006,783	4
Payables to related parties		82,500	—	486,958	2
Payroll and bonus payable		332,017	1	140,633	—
Revenue received in advance for sales		784,432	3	1,286,239	4
Provision – current		—	—	119,519	—
Other current liabilities		339,237	1	167,707	1
Current portion of long-term loans payable		666,667	2	166,667	1
		3,988,981	13	4,481,677	16
Non-current liabilities:					
Long-term loans payable		3,808,667	12	4,372,783	15
Liability reserve		427,000	1	—	—
Other liabilities – non-current		321,480	1	30,868	—
Revenue received in advance for sales – non-current		1,725,353	6	2,226,454	7
		6,282,682	20	6,630,105	22
Total Liabilities		10,271,663	33	11,111,782	38
Equity:					
Common stock		5,800,312	19	5,231,191	18
Capital surplus		16,995,509	55	14,977,502	51
Retained earnings:					
Legal reserve		220,409	1	213,967	1
Special reserve		160,330	1	102,349	—
Unappropriated earnings (accumulated deficits)		392,191	1	64,423	—
		772,930	3	380,739	1
Other equity		(2,670,512)	(10)	(2,291,808)	(8)
Total Equity		20,898,239	67	18,297,624	62
Total Liabilities and Equity	$	**31,169,902**	100	**29,409,406**	100

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Profit or Loss and Other Comprehensive Income

Years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars, except for earnings per share)

		2014	%	2013	%
Operating revenues:	$	9,175,737	100	5,208,835	100
Cost of goods sold		9,895,108	108	6,564,673	126
Gross loss		(719,371)	(8)	(1,355,838)	(26)
Operating expenses:					
Selling		35,529	—	17,995	—
General and administrative		118,231	1	94,226	2
Research and development		190,443	2	155,141	3
Total operating profit		344,203	3	267,362	5
Operating loss		(1,063,574)	(1)	(1,623,200)	(31)
Non-operating income and (expenses):					
Other income		16,558	—	9,839	—
Other gains and (losses)		161,402	2	115,409	2
Interest expense		(97,751)	(1)	(103,519)	(2)
Share of profit or loss of subsidiaries and associates accounted for using equity method		2,121,126	23	1,723,219	33
Total non-operating income and expenses		2,201,335	24	1,744,948	33
Profit from continuing operations before income tax		1,137,761	13	121,748	2
Income tax expense		9,316	—	(173,370)	(3)
Net profit (loss)		**1,128,445**	**13**	**295,118**	5
Other comprehensive income (loss)：					
Exchange differences on translation of foreign operations		44,274	—	24,847	—
Unrealized gain (loss) on available-for-sale financial assets		(196,282)	(2)	304,883	6
Actuarial loss on defined benefit plans		(1,782)	—	(2,200)	—
Share of other comprehensive income of subsidiaries and associates accounted for using equity method		(255,702)	(3)	(887,152)	(17)
Income tax related to other comprehensive income		(4,684)	—	(4,224)	—
Total other comprehensive income (loss), net of income tax		(414,176)	(5)	(563,846)	(11)
Total comprehensive income (loss)	$	**714,269**	**8**	**(268,728)**	**(6)**
Earnings per share (in dollars)					
Basic earnings (loss) per share	$	**2.06**		**0.57**	

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Changes in Stockholders’ Equity

Years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

	Common stock	Capital surplus	Retained Earnings				Other Equity				Treasury stock	Total equity
			Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Exchange differences on translation	Unrealized gain (loss) on available-for-sale financial assets	other	Total		
Balance at January 1, 2013	$ 5,231,191	14,878,908	987,717	604,810	1,498,442	94,085	(628,954)	(1,107,472)	—	1,736,426	(256,695)	18,211,063
Net profit for 2013	—	—	—	—	295,118	295,118	—	—	—	—	—	295,118
Other comprehensive loss for 2013	—	—	—	—	(8,464)	(8,464)	(860,265)	304,883	—	(555,382)	—	(536,846)
Total comprehensive loss for 2013	—	—	—	—	286,654	286,654	(860,265)	304,883	—	(555,382)	—	(268,728)
Appropriation and distribution of retained earnings												
Legal reserve	—	—	—	102,349	(102,349)	—	—	—	—	—	—	—
Legal used to offset company losses	—	—	(773,750)	—	773,750	—	—	—	—	—	—	—
Special reserve used to offset company losses	—	—	—	604,810	604,810	—	—	—	—	—	—	—
Adjustment for changes in investees’ equity	—	49,409	—	—	—	—	—	—	—	—	—	49,409
Treasury stock acquired	—	—	—	—	—	—	—	—	—	—	(5,749)	(5,749)
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees	—	17,966	—	—	—	—	—	—	—	—	—	17,966
Treasury stock transferred to employees	—	31,219	—	—	—	—	—	—	—	—	262,444	293,663
Balance at December 31, 2013	5,231,191	14,977,502	213,987	102,349	64,423	380,739	(1,489,219)	(802,589)	—	(2,291,808)	—	18,297,624
Net profit for 2014	—	—	—	—	1,128,445	1,128,445	—	—	—	—	—	1,128,445
Other comprehensive income (loss) for 2014	—	—	—	—	(50,667)	(50,667)	(172,185)	(191,324)	—	(363,509)	—	(414,176)
Total comprehensive income (loss) for 2014	—	—	—	—	1,077,778	1,077,778	(172,185)	(191,324)	—	(363,509)	—	714,269

See accompanying notes to consolidated financial statements.

SINO-AMERICAN SILICON PRODUCTS INC.

Statements of Changes in Stockholders’ Equity (continued)
Years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

Appropriation and distribution of retained earnings (Note):												
Special reserve	—	—	—	57,981	(57,981)	—	—	—	—	—	—	—
Legal reserve	—	—	6,442	—	(6,442)	—	—	—	—	—	—	—
Issuance of common share for acquisition	568,881	2,280,177	—	—	(685,587)	(685,587)	8,206	—	—	(8,206)	—	2,155,265
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees	—	22,696	—	—	—	—	—	—	—	—	—	22,696
Capital surplus cash dividend declared	—	(523,142)	—	—	—	—	—	—	—	—	—	(523,142)
Execution of employee stock options	240	1,106	—	—	—	—	—	—	—	—	—	1,346
Difference of equity accounted investees	—	83,939	—	—	—	—	—	—	(6,989)	(6,989)	—	76,950
Proceeds from sales of subsidiaries' equity to non-controllig invest	—	153,231	—	—	—	—	—	—	—	—	—	153,231
Balance at December 31, 2014	$ 5,800,312	16,995,509	220,409	160,330	392,191	772,930	(1,669,610)	(993,913)	(6,989)	(2,670,512)	-	20,898,239

Note: There was no directors’ and supervisors’ remuneration and employee bonuses.

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Cash Flows

Years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

		2014	2013
Cash flows from operating activities:			
Income (loss) before tax	$	1,137,761	121,748
Adjustments：			
Adjustments for:			
Depreciation		515,271	1,043,757
Amortization		1,482	—
Provision for (reversal of) allowance for doubtful accounts		466	4
Interest expenses		97,751	103,519
Interest income		(4,847)	(636)
Dividend income		(11,711)	(9,203)
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees		22,696	49,185
Share of profit or loss of subsidiaries and associates accounted for using equity method		(2,121,126)	(1,723,219)
Loss from disposal and write-off of property, plant and equipment		(13,532)	
Gain on disposal of available-for-sale financial assets, net		—	(62,342)
Loss on disposal of equity-method investments		—	19,226
Loss on non-financial asset impairment		444,256	—
Expense with no effect on cash flow		7,516	654
Provision for (reversal of) inventory obsolescence and devaluation loss		1,317	(3,607)
Total adjustments to reconcile income (loss) before tax		1,060,461	(582,662)
Changes in operating assets and liabilities:			
Changes in operating assets:			
Notes and accounts receivable (including related parties)		251,403	(608,444)
Inventories		(156,553)	(547,030)
Prepayments for materials		720,568	571,500
Other current assets		119,323	110
Other financial assets		29,146	2,418
Financial assets designated as at fair value through profit or loss		654	—

Total changes in operating assets	964,541	(581,446)
Changes in operating liabilities:		
Notes and accounts payable (including related parties)	(604,214)	910,568
Provision	(119,519)	(147,097)
Revenue received in advance for sales	(763,317)	(658,824)
Accrued expenses and other current liabilities	31,072	113,268
Accrued pension liabilities	(1,791)	4,315
Total changes in operating liabilities	(1,457,769)	222,230
Total changes in operating assets and liabilities	(493,228)	(359,216)
Total adjustments	(1,553,698)	(941,878)
Cash inflow (outflow) generated from operations	(415,928)	(820,130)
Interest received	4,847	636
Dividend paid	11,711	9,203
Interest paid	(101,446)	(106,077)
Income tax refunded (paid)	—	124,432
Net cash outflows used in operating activities	(500,816)	(791,936)

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Cash Flows (continued)

Years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

		2014	2013
Cash flows from investing activities:			
Acquisition of financial assets available for sale	$	(54,674)	—
Proceeds from disposal of available-for-sale financial assets		—	70,308
Acquisition of financial assets carried at cost		(169,902)	(13,433)
Acquisition of equity-accounted investees		(423,145)	(165,358)
Acquisition of subsidiaries (excluding cash obtained)		904,023	(791,002)
Acquisition of property, plant and equipment		(206,752)	(90,150)
Disposal of property, plant and equipment		31,324	—
Dividends from equity-accounted investees		1,795,723	876,554
Increase in restricted certificate of deposit		12,182	(34,823)
Decrease in refundable deposits		96,306	716
Refund from capital reduction of subsidiaries		53,880	—
Net cash used in investing activities		2,038,965	(147,188)
Cash flows from financing activities:			
Increase (decrease) in other payables to related parties		(98,357)	98,357
Increase in short-term borrowings		(357,171)	807,171
Increase in long-term loans payable		800,000	3,837,550
Repayment of long-term loans payable		(864,116)	(4,176,577)
Payments of cash dividends		(523,142)	—
Proceeds from sales of subsidiaries' equity to non-controlling interest		620,625	—
Treasury stock acquired		—	(5,749)
Treasury stock transferred to employees		—	262,444
stock option for employees		1,346	—
Net cash flows from financing activities		(420,815)	823,196
Net decrease in cash and cash equivalents		1,117,334	(115,928)
Cash and cash equivalents at beginning of year		343,226	459,154
Cash and cash equivalents at end of year	$	**1,460,560**	**343,226**
Fair value of assets and (liabilities) of associates acquired:			
Cash and cash equivalents	$	904,023	18,857
Financial assets designated as at fair value through profit or loss		140,647	—

Notes and trade receivable, net		680,808	—
Inventory		341,412	—
Other current assets		55,964	—
Other current financial assets		29,386	—
Prepayment for materials		545,241	—
Equity-method investments		572,132	1,374,554
Property, plant and equipment		2,375,624	—
Intangible asset		19,267	—
Other assets—non-current		27,532	37
Other assets—non-current financial assets		131,451	—
Financial liabilities designated as at fair value through profit or loss		(139,993)	—
Notes and trade payable		(265,458)	—
Other current liabilities		(294,264)	—
Provision - non-current		(427,000)	—
Other liabilities—non-current		(300,891)	(3)
Exchange differences on translation of foreign financial Statements		8,206	—
Fair value of subsidiary's equity at acquisition date		4,404,087	1,393,454
Less: Fair value of associates before acquisition date		(2,240,616)	(583,595)
Issuance of new shares, consolidation		(2,163,471)	—
Cash proceeds from acquisition of associates		(904,023)	(18,857)
Acquisition of associates	$	(904,023)	791,002

Sino-American Silicon Products Inc.
Notes to Individual financial report
December 31, 2014 and 2013
(Expressed in NT$ Thousand unless otherwise stated)

1. **Company background**

Sino-American Silicon Products Inc. (hereinafter referred to as “the Company”) was incorporated in accordance with the Company Law of the Republic of China in January 1981; also, the Chunan Branch was established in June 2005 at No. 8. Industrial East Road 2, Hsinchu Science Park, Taiwan, R.O.C. for the R&D, design, production and sale of semi-conductor silicon materials and components, 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 Company’s stocks have been traded publicly at the Taipei Exchange (TPEx) since March 2001.

For the purpose of reorganization and professional division of work and enhancing competitiveness and business performance, a resolution was reached at the shareholders’ meeting on June 17, 2011 to have the semiconductor business and sapphire business (including the related assets, liabilities and business operations) by the way of incorporation and partition transferred to the Company’s 100% owned subsidiaries, Globalwafters Co., Ltd. (hereinafter referred to as “Globalwafters”) and Sino Sapphire CO., LTD. (hereinafter referred to as “Sino Sapphire”) with the base date of partition scheduled on October 1, 2011. The Company based on the net book value of the semi-conductor business shall pay a price of NT$38.5 per share for acquiring 180,000 thousand shares at NT$10 par value of Globalwafers; also, based on the sapphire business net assets shall pay a price of NT$40 per share for acquiring 40,000 thousand shares at NT$10 par value of Sino Sapphire.

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

2. **Financial statements approval date and procedure**

The individual financial statements were approved for publication by the Board of Directors on March 24, 2015.

3. **Application of newly published and amended standards and interpretations**

(1) The impact of not implementing the International Financial Reporting Standards version 2013 approved by the Financial Supervisory Commission (hereinafter referred to as the “FSC”):

According to the FSC.Certificate.Shen.Tzi No. 1030010325 Order of the Financial Supervisory Commission dated April 3, 2014, the listed, OTC, and Emerging companies should adopt the International Financial Reporting Standards (excluding IFRS 9 “Financial Instruments) version 2013 since 2015 as approved by the Financial Supervisory Commission to have financial statements prepared. The new releases, modifications and amendments of the Standards and Interpretations by the International Accounting Standards Board (IASB) are summarized as follows:

Newly released / modified / amended standards and interpretations	The effective date announced by the IASB
Amendments to IFRS 1, "Limited exemption of the International Financial Reporting Standards No. 7 "Comparative Disclosure" to the initial adopters"	2010.7.1
Amendments to IFRS 1, "The removal of the fixed date for the initial user with severe inflation"	2011.7.1
Amendments to IFRS 1, "Government Loans"	2013.1.1
Amendment to IFRS 7, "Disclosure - Transfers of financial assets"	2011.7.1
Amendment to IFRS 7, "Disclosure - Offsetting of financial assets and financial liabilities"	2013.1.1
IFRS 10, "Consolidated Financial Statements"	2013.1.1 (Investment entity took effect on January 1, 2014)
IFRS No. 11, "Joint agreement"	2013.1.1
IFRS No. 12, "Disclosure of other entity's equity"	2013.1.1
IFRS No. 13, "Measured at the fair value"	2013.1.1
Amendments to IAS 1, "Presentation of other comprehensive income accounts"	2012.7.1
Amendments to IAS 12, "Deferred income tax: Recovery of the subject assets"	2012.1.1
Amendments to IAS 19, "Employee benefits"	2013.1.1
Amendments to IAS 27, "Separate Financial Statements"	2013.1.1
Amendment to IAS 32, "Offsetting of financial assets and financial liabilities"	2014.1.1
IFRIC No. 20, "Stripping Costs in the Production Phase of a Surface Mine"	2013.1.1

The Company had assessed and concluded that the adoption of the IFRSs version 2013 would not cause any significant changes to the individual financial statements, except for the following items:

1. Amendments to IAS 19, "Employee benefits"

The main amendments to be made according to the Standards include determining the net interest by having the net defined benefit liability (asset) multiplied by the discount rate and using the net interest to replace the interest cost and expected return of plan assets prior to the amendment of the Standards; deleting actuarial gains and losses by adopting the "corridor approach" or the accounting policy on the accrual method to have it included in the profit or loss in a lump sum upon occurrence; also, having actuarial gains and losses included in other comprehensive profit or loss upon occurrence and prior service costs recognized in the profit or loss upon occurrence instead of having it amortized as an expense in accordance with the straight-line method throughout the average period prior to complying with the vested conditions. In addition, a company should recognize severance benefits when it can no longer be revoked or when recognizing the related reorganization cost, whichever is sooner, instead of having severance benefits recognized as liabilities and expenses only when the commitment of resignation is confirmed In addition, the amendments also require a broader disclosure in defined benefit plans.

The Company had assessed and concluded that there was no significant impact of the standards on the Company's financial condition and results of operations, and the relevant disclosures of the defined benefit plan will be implemented accordingly.

2. Amendments to IAS 1, "Presentation of Financial Statements"

   The standard amends the presentation of other comprehensive income and requires entities to separate items presented in other comprehensive income into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss. The amendment also requires that the income tax amounts applicable to before-tax amounts included in other comprehensive income shall be disclosed separately in accordance with the aforesaid two categories. The Company will change the presentation of comprehensive income in accordance with amendments to the standard.

3. IFRS No. 12, "Disclosure of other entity's equity"

   The requirements regarding the disclosures of equity in the subsidiaries, joint agreements, affiliated companies and structured entities that are not included in the consolidated financial statements in all accounting standards are consolidated into this Standard, including the information to be disclosed. The Company will have the information regarding the consolidated entities or non-consolidated entities disclosed in accordance with the Standard.

4. IFRS No. 13, "Measured at the fair value"

   According to the Standard, fair value is defined and the framework of fair value measurement is established; also, the disclosure of fair value measurement is stipulated. Upon assessment, the Company believes that adoption of the standard has no significant impact on the Group's financial status and results of operation but will result in more extensive disclosure of information relating to fair value measurement.

(2) The impact of the newly released IFRSs by the IASB that are not yet approved by the Financial Supervisory Commission (FSC):

2013-IFRSs issued by International Accounting Standards Board ("IASB") but not yet endorsed by the FSC:

Newly released / modified / amended standards and interpretations	The effective date announced by the IASB
IFRS No. 9, "Financial instruments"	2018.1.1
Amendments to IFRS No. 10 and IAS No. 28 "Assets Sale or Purchase between Investor and the Affiliates or Joint Ventures."	2016.1.1
IFRS 10, IFRS 12, and IAS 28 Amendment "Investment entity: Application of the exceptions for consolidated financial statements"	2016.1.1
IFRS 11 Amendment "Acquisition of joint operation equity"	2016.1.1
IFRSs No. 14, "Regulatory Deferral Accounts"	2016.1.1
IFRSs No. 15, "Revenue from customer contracts"	2017.1.1
Amendments to IAS No. 1 "Disclosure Plan."	2016.1.1
IAS 16 and IAS 38 Amendment "Introduction of acceptable depreciation and amortization methods"	2016.1.1
IAS 16 and IAS 41 Amendment "Production Plants"	2016.1.1
Amendment to IAS 19, "Defined benefit plan: employee contributions"	2014.7.1
IAS 27 Amendment "Equity Method of individual financial statements"	2016.1.1
Amendment to IAS 36, "Disclosure of the recoverable amount of non-financial assets"	2014.1.1

Newly released / modified / amended standards and interpretations	The effective date announced by the IASB
IAS 39 Amendment “Replacement of derivatives contracts and continuity of hedge accounting”	2014.1.1
IFRIC 21, ‘Levies’	2014.1.1

The Company is assessing the potential impact of the new standards and amendments above on the financial positions and performance of the Company and will make appropriate disclosure after the evaluation.

4. Accounting policy summary

The significant accounting policies adopted in the individual financial statements are summarized as follows. Unless otherwise stated, the following accounting policies are applicable to the individual financial statements throughout the reporting period.

(1) Compliance statement

The individual financial report is prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by the Securities Issuers.”

(2) Basis of preparation

1. Measurement basis

The individual financial report has been prepared in accordance with the historical cost basis, except for the following important items in the balance sheet:

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

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

(3) Defined benefit liabilities are recognized in accordance with the net amount of the pension fund assets net of the present value of the defined benefit obligations.

2. Functional currency and presentation currency

Each entity of the Company operates in accordance with the local functional currency of the primary economic environment. The individual financial statements are based on the Company’s functional currency, the NT Dollar. All financial information expressed in NT Dollar is based on the monetary unit of NT$ Thousand.

(3) Foreign currency

1. Foreign currency transactions

Foreign currency transactions are converted into the functional currency in accordance with the exchange rates prevailing on the transaction date. Foreign currency monetary items are converted into functional currency in accordance with the exchange rates prevailing on the reporting date. The exchange profit and loss is the difference between the amortized cost denominated in the functional currency at the beginning of the year with the current effective interest adjusted and paid, and the amortized cost denominated in foreign currency translated in accordance with the exchange rate of the reporting date. The non-monetary item in the foreign currency measured at fair value is converted into the functional currency in accordance with the exchange rate on the date the fair value is measured. The non-monetary item in the foreign currency measured at historical cost is translated in accordance with the exchange rate on the trading day. Except for when the exchange profit and loss of the available-for-sale financial assets is recognized in other profit or loss, the exchange profit and loss of the remaining assets is recognized in the profit or loss.

2. Foreign operation institutions

The assets and liabilities of foreign operation institutions, including goodwill and fair value adjustments arising on the acquisition, are converted in the functional currency according to the exchange rate on the reporting date. Except when in an economy with high inflation, incomes and expenses are denominated in accordance with the current average exchange rate and with the exchange differences recognized in other profit or loss.

(4) Standards for classifying assets and liabilities as current and noncurrent

Assets in line with one of the following conditions are classified as current assets. Assets other than current assets are classified as non-current assets:

1. Assets that are expected to be realized in the Company's regular operating cycle or with the intent to be sold or consumed;
2. Assets that are held for trading purposes;
3. Assets that are expected to be realized within twelve months after the balance sheet date;
4. Cash or cash equivalent, excluding the assets that are to be used for exchange or liquidating debts within twelve months after the balance sheet date or restrictive assets.

Liabilities in line with one of the following conditions are classified as current liabilities. Liabilities other than current liabilities are classified as non-current liabilities:

1. Liabilities that are expected to be liquidated within the regular operating cycle of the Company;
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. The liabilities for which the Company cannot unconditionally have the liquidation deadline postponed for at least twelve months after the balance sheet date;

(5) Cash and cash equivalent

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

(6) Financial instrument

Financial assets and financial liabilities are recognized when the Company becomes a party to the financial instrument contract.

1. Financial assets

The Company's financial assets are classified as: Financial assets, accounts receivable and available-for-sale financial assets measured at fair value through profit and loss.

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

Such financial assets refer to the held-for-trade financial or designated financial assets measured at fair value through profit or loss.

The main purpose of acquiring or generating the held-for-trade financial assets is to have it sold or re-purchased in the short run. The Company in one of the following conditions has financial assets other than the held-for-trade financial assets designated to be measured at fair value through profit and loss at the original 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 the 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 the profit or loss and reported in the “non-operating income and expense” account. The regular trade of financial assets is handled in accordance with the trade day accounting.

(2) Financial assets in available-for-sale

Such financial assets are designated as available-for-sale or specific category non-derivative financial assets. The financial assets are recognized initially at the fair value plus attributed transaction cost. The financial assets are recognized subsequently at the fair value. Except for impairment loss and dividend income recognized in the profit or loss, the change in book value is recognized in other comprehensive profit or loss and accumulated in the available-for-sale financial assets unrealized profit or loss of the shareholder’s equity. When derecognizing, the cumulative amount of gain or loss under the shareholder’s equity is reclassified under profit or loss; also, reported in the “non-operating income and expense” account. The regular trade of financial assets is handled in accordance with the trade day accounting.

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 it is reported in the “financial assets carried at cost” account.

Dividend income from equity investment is recognized on the date (it is usually on the ex-dividend date) when the Company is entitled to collect dividends; also, it is reported in the “non-operating income and expense” account.

(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. It is measured subsequently in accordance with the effective interest rate method and the amortized cost net of impairment loss, except for short-term receivables with insignificant interest recognized. The regular trade of financial assets is handled in accordance with the trade day accounting.

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

(4) Impairment of financial assets

The impairment of the financial assets that is not measured at fair value through profit or loss should be assessed on each reporting date. When there is objective evidence indicating that the estimated future cash flow of the asset is with a loss due to one or more events that occurred after the financial assets recognized initially, the impairment of the financial assets has already occurred.

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

If the accounts receivable assessed individually is without any identified impairment, it should be jointly assessed for impairment. Objective evidence of impairment for a receivable portfolio could include the Company's experience in collection, the increase in delayed payments of the receivable portfolio exceeding the average credit period and the national or regional economic conditions and changes related to receivable arrears.

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

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

The impairment loss of the available-for-sale equity instruments that was previously recognized in the profit or loss may not be reversed and recognized in the profit or loss. The recovery in fair value of any impairment loss previously recognized is recognized in other profit or loss and accumulated in the "other equity" account. If the recovery in fair value of available-for-sale debt instruments can be objectively linked to an event occurring after the impairment loss has been recognized in the profit or loss, it will be reversed and recognized in the 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 in the "non-operating income and expense" account.

(5) De-recognition of financial assets

The Company's financial asset is derecognized only when the contractual rights to the cash flows from the assets are terminated or when the financial assets have been transferred and nearly all of the risks and rewards related to the ownership of the financial assets have been transferred to other companies.

When having one single financial asset derecognized entirely, the difference between the book value and the considerations received or receivable plus the amount recognized in the other comprehensive profit or loss and accumulated in the "Other equity - Available-for-sale financial assets unrealized profit or loss" is recognized in the profit or loss and reported in the "non-operating income and expense" account.

When not having one single financial asset derecognized entirely, the Company has the book value of the financial assets amortized to the continuing operation and discontinuing operation according to the respective fair value on the transfer day. The difference between the book value amortized to the derecognized operation and the considerations received from the derecognized operation plus the accumulated profit or loss recognized in the other comprehensive profit or loss amortized to the derecognized operation is recognized in the profit or loss and reported in the "non-operating income and expense" account. The accumulated profit or loss recognized in the other comprehensive profit or loss is amortized to the continuously recognized operation and derecognized operation according to the respective 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 the definition of the contractual agreements.

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

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

(2) Other financial liabilities

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

(3) Derecognition of financial liabilities

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

When derecognizing financial liability, the difference between the book value and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in the profit or loss and reported in the "non-operating income and expense" account.

(4) Financial assets and liabilities offsetting

Financial assets and financial liabilities are offset and recognized in the balance sheet only when the Company has a legal right to do so and has the intention to have them cleared at a net value or has the asset cashed and the liability settled at the same time.

3. Derivatives

The Company holds derivatives to hedge foreign currency risk exposure. It is measured at fair value at the original recognition and the transaction cost is recognized in the profit or loss. It is subsequently measured at fair value with the profit and loss arising from the re-measurement recognized in the profit or loss and reported in the "non-operating income and expense" account. The positive fair value of a derivative instrument is classified as financial assets; also, the negative fair value of a derivative instrument is classified as a financial liability.

(7) Inventory

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

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

(8) Investment in the affiliated companies

Affiliated companies: The Company has significant influence but without control over their financial and operating policies. The Company with a 20% ~ 50% voting shares is assumed to have a significant influence over the invested company.

Under the equity method, investment is originally recognized at cost. Investment cost includes transaction cost. The book value of investment in the affiliated companies includes the goodwill recognized at the initial investment and net of any accumulated impairment losses.

Individual financial report covers the period from the date the significant influence obtained to the date the significant influence ceased, after completing the adjustments consistent with the Company's accounting policy; recognize the gain or loss and the other profit or loss of the investment in the affiliated companies proportionately to the equity ratio.

The unrealized gains and losses arising from the transactions conducted between the Company and the affiliated companies have been offset within the scope of the investment in the invested company. The written-off unrealized losses are the same as the written-off unrealized profits but are limited to the circumstances when the impairment evidence is not available.

When the loss of the affiliated company to be recognized by the Company proportionately to the shareholdings is equal to or exceeds the Company's equity in the affiliated company, stop recognizing any loss. However, recognize additional losses and related liabilities only upon the occurrence of a legal obligation, presumption of obligation or within the amount paid on behalf of the invested company.

(9) Investment in subsidiaries

The Company has the wholly-owned invested company valued with the equity method when preparing the individual financial statements. Under the equity method, the amortization amount attributable to the shareholders of the parent company from the profit or loss and other comprehensive profit or loss of the individual financial statements and the consolidated financial statements is the same. Moreover, the equity attributable to the shareholders of the parent company from the shareholder's equity of the individual financial statements and the consolidated financial statements is the same.

If the change in the Company's ownership of the subsidiary does not lead to loss of control over the subsidiary, it is treated as an equity transaction conducted with the shareholders.

(10) Property, plant and equipment

1. Recognition and measurement

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

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

The gain and loss from the disposal of property, plant and equipment is determined according to the difference between the book value and the disposal amount of the property, plant and equipment; also, it is recognized in the “non-operating income and expense” account at a net amount.

2. Subsequent cost

When the expected future economic benefits resulting from the subsequent expenditure for property, plant and equipment is likely to flow into the Company and when the amount can be measured reliably, the expenditure is recognized as part of the book value of the item; also, the book value of the replacement is derecognized. The routine repair and maintenance cost of property, plant and equipment is recognized in the profit or loss when it is incurred.

3. Depreciation

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

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

(1) Real estate and building: 2~40 years

(2) Machinery equipment: 2~15 years

(3) Other equipment: 2~20 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 25~30 years, 25 years and 4~15 years, respectively.

Depreciation methods, years of useful life and residual values are reviewed at the end of each financial year. If the expected value is different from the estimates, it should be adjusted properly when necessary; also, the difference should be processed as changes in accounting estimates.

(11) Intangible assets

1. Research and development

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

(1) Technical feasibility of the intangible asset is completed and the intangible asset is ready for use or sale.

(2) The intention is to have the intangible asset completed for use or sale.

(3) The Company is capable of using or selling the intangible asset.

(4) The intangible asset is likely to generate future economic benefits.

(5) The Company has sufficient technical, financial and other resources to complete this development and to use or sell the intangible asset.

(6) The expenditure attributable to the intangible asset development can be reliably measured.

2. Other intangible assets

The other intangible assets acquired by the Company are measured at cost, net of accumulated amortization and accumulated impairment.

3. Subsequent expenditures

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

4. Amortization

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

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

Review the residual value, amortization period and amortization method for intangible assets at the end of the fiscal year and with the changes, if any, treated as a change in accounting estimates.

(12) Impairment of non-financial assets

The Company assesses the non-financial assets other than inventories and deferred income tax assets for any impairment on each reporting date; also, estimates the recoverable amount of the assets with an impairment evidence. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit that the asset belongs to in order to assess the impairment.

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

The Company reevaluates on each reporting day whether there are indications that the impairment loss of non-financial assets other than goodwill recognized previously have been eliminated or reduced. If the estimates used to determine the recoverable amount are changed, the impairment loss should be reversed in order to increase the book value of the individual asset or cash-generating unit to the recoverable amount; however, it shall not exceed the book value 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 purposes of impairment testing, goodwill acquired through business merger shall be amortized to the Company’s cash-generating units (or cash generating group) that are expecting to be benefited from the synergy of the merger. If the recoverable amount of the cash-generating unit is less than its book value, the impairment loss is applied to offset the book value 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.

(13) Liability reserve

The recognition of the liability reserve is due to the present obligations of the Company resulting from a past event that may require the outflow of economic resources in the future to settle the obligation and the amount of the obligation can be estimated reliably. Liability reserve 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.

When the Company expects to fulfill a contractual obligation that is inevitably with a cost exceeding the expected economic benefits from the contract, the liability reserve for the onerous contract should be recognized. Such liability reserve 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.

(14) Treasury 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 book value, the difference is classified as “Additional paid-in capital – Treasury stock;” if the disposal price is lower than the book value, the difference is applied to write off the additional paid-in capital of the treasury stock in the same category or debited to retained earnings, if there is an insufficient amount. The book value of treasury stock is calculated in accordance with the weighted average method and is calculated separately in accordance with the reason for repurchase.

(15) Income recognition

1. Products sales

The income from the sale of instruments 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, it is a signed purchase order from the customers), the significant risks of ownership and considerations are transferred to the buyer, the proceeds are likely to be collected, the associated cost and possible sales returns can be estimated reliably, do not continue to be involved in instrument management and the amount of income can be measured reliably. If a discount is likely to occur and the discount amount can be measured reliably, it is credited to the income when the sale is recognized.

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

2. Labor service income

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

(16) Employee benefits

1. Defined contribution plan

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

2. Defined benefit plan

The retirement benefit plan that is not a defined contribution plan is classified as a defined benefit plan. The Company's net obligation under the defined benefit plan is based on the present value of the future benefit amount earned by employees currently or previously in each benefit plan. Any unrecognized prior service cost and the fair value of the plan assets are deducted. The discount rate is based on the interest rate of the market yield rate of government bond on the reporting date that is with a similar due date as the Company's net obligation deadline and denominated in the same currency as the expected benefit payment.

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

For the plan benefit that is improved due to the service provided by the employees, it is to be recognized in the profit 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 profit or loss.

The Company had adopted the IFRSs conversion date approved by the Financial Supervisory Commission on January 1, 2012 to have all actuarial gains and losses recognized in the retained earnings. The actuarial gains and losses subsequently resulting from the Company's defined benefit plan is immediately recognized in the other comprehensive profit or loss.

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, changes in the present value of defined benefit obligations, any previously unrecognized actuarial gains and losses, and prior service costs.

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.

(17) 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.

(18) Income tax

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

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 book value 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 liquidation period; also, it is based on the statutory tax rate or substantive legislation tax rate on the reporting date.

The Company will have financial assets and financial liabilities offset when complying with the following conditions:

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

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

The Company and the domestic subsidiaries have income tax returns first 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.

(19) Merger

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

The merged company will have the non-controlling equity identifiable net assets measured in accordance with the non-controlling equity ratio on an itemized transaction basis.

For a merger in progress, the Company will have the fair value of the equity of the acquired company re-measured on the acquisition date and with the relevant profit or loss, if any, recognized in the profit or loss. For the changes in the acquired company’s equity value that were recognized in other profit or loss 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 not yet completed prior to the end of the merger reporting period, the Company may have the pending accounting items reported in a provisional amount; also, the provisional amount must be adjusted retro-actively throughout the measurement period or should have additional assets or liabilities recognized to reflect the information of the existing 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.

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

(20) Earnings per share

The Company illustrated the basic and diluted earnings per share attributable to the common stock shareholders. Basic earnings per share is calculated by having the profit and loss attributable to the Company’s common stock shareholders divided by the weighted average number of the outstanding common stock shares during the period. Diluted earnings per share is calculated by having the profit and loss attributable to the Company's common stock shareholders and the weighted average number of common stock shares outstanding adjusted for the effects of all potential diluted common stock shares, respectively. The Company's potential diluted common stock includes stock option to employees and stock dividends to employee that are yet to be resolved in the shareholders' meeting.

(21) Segment information

The Company has the segment information disclosed in the consolidated financial statements; therefore, it will not be disclosed in the individual financial statements.

(22) Reason and effect for accounting changes

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

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

	2014	2015	2016	2017	2018	2019	thereafter
Increase (decrease) of depreciation expense	$ (658,998)	(347,748)	4,050	206,126	329,211	265,299	202,060

5. Materials accounting judgment, estimates and main source of assumption uncertainties

The management when preparing the individual financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" must make judgments, estimates and assumptions which will affect the adopted accounting policies and the assets, liabilities, revenues and expense amounts. The actual results could differ from those estimates.

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

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

(1) Note 6 (8) Impairments assessment of property, plant, and equipment

(2) Note 6 (13) Liability reserve

6. Important accounting items

(1) Cash and cash equivalent

	2014.12.31	2013.12.31
Cash	$ 498	422
Bank deposits	763,762	342,804
Deposit account	696,300	-
Cash and cash equivalents in the Statement of Cash Flow	$ 1,460,560	343,226

Please refer to Note 6 (26) for the disclosure of the Company's interest rate risk and sensitivity analysis of financial assets and liabilities.

(2) Notes receivable and accounts receivable - net

	2014.12.31	2013.12.31
Notes receivable	$ 5,735	-
Accounts receivable	1,153,998	706,550
Less: Allowance for bad debt	(49,358)	(4)
	$ 1,110,375	706,546

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

	2014	2013
Balance – 1/1	$ 4	-
Assumed by the merger	48,888	-
The impairment loss recognized	466	4
Balance – 12/31	$ 49,358	4
Individual assessment of impairments	$ 48,888	-
Collective assessment of impairments	470	4
	$ 49,358	4

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

	2014.12.31		2013.12.31	
	Total amount	Impairment	Total amount	Impairment
Overdue 31~60 days	$ 407	61	24	4
Overdue 61~90 days	2,722	409	-	-
Overdue for over 1 year	48,888	48,888	-	-
	$ 52,017	49,358	24	4

The Company's average credit period for a sale is 0-120 days. Allowance for bad debt of accounts receivable is for recording bad debt expense and it is primarily based on the historical payment behavior, the customer's credit rating and the aging information to estimate the uncollectible amount.

(3) Inventories

	2014.12.31	2013.12.31
Finished goods	$ 527,404	151,417
Work-in-process goods	170,908	134,606
Raw materials	582,629	539,476
Substances	106,836	65,630
	$ 1,387,777	891,129

Operating cost is detailed as follows:

	2014	2013
Cost of goods sold	$ 9,144,501	5,982,244
Appropriate (reverse) inventory loss in valuation	1,317	(3,607)
Unamortized fixed manufacturing expense	305,034	586,036
Appropriate onerous contract loss	444,256	-
	$ 9,895,108	6,564,673

As of December 31, 2014 and 2013, the Company's inventories had not been provided as collateral.

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

		2014.12.31	2013.12.31
Listed stocks – Solartech Energy Corp.	$	619,089	764,956
OTC Stocks – Actron Technology Corporation		239,548	235,289
	$	858,637	1,000,245

Please refer to Note 6 (22) for the disposal of investment gains and losses in detail.

Please refer to Note 6 (25) for the profit or loss re-measured at fair value recognized in other profit or loss.

As of December 31, 2014 and 2013, 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 profit or loss is as follows:

Securities price on the reporting date		2014	2013
Up 10%	$	85,864	100,025
Down 10%	$	(85,864)	(100,025)

(5) Financial valued at the cost-noncurrent

		2014.12.31	2013.12.31
Equity investment	$	888,833	816,538
The cumulative amount of impairment loss recognized		(21,510)	(21,510)
	$	867,323	795,028

Cumulative impairments change as follows:

		2014.12.31	2013.12.31
Accumulated impairments (*i.e.*, cumulative impairments – beginning) - ending	$	21,510	21,510

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.

The Company in line with business strategy and taking into consideration the industry upstream and downstream longitudinal integration and strategies layout had increased investment in Sunshine PV Corp. (Sunshine) for NT$21,455 thousand in 2014; also, with the resolutions reached in the board meeting had increased 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 (6) for instructions.

As of December 31, 2014 and 2013, the Company's financial assets referred to above had not been provided as collateral.

(6) Investment under the equity method

The Company's investments under the equity method on the reporting date were as follows:

	2014.12.31	2013.12.31
Affiliated companies:		
Subsidiary	$ 14,229,407	16,234,807
Affiliated Enterprises	2,004,864	1,475,653
	$ 16,234,271	17,710,460

1. Subsidiaries

Please refer to the 2014 consolidated financial statements.

2. Affiliated companies

The book value of the affiliates invested by the Company as of December 31, 2014 and 2013 with a quoted market price was NT$1,892,671 thousand and NT$1,475,653 thousand, respectively; also, the fair value was NT$2,278,175 thousand and NT$1,988,163 thousand, respectively.

The financial information of the Company's affiliates was summarized as follows. The financial information was not adjusted proportionately to the Company's shareholding ratio:

	2014.12.31	2013.12.31
Total assets	$ 5,283,930	4,306,449
Total liabilities	$ 995,681	1,409,241

	2014	2013
Revenue	$ 2,260,099	1,960,487
Net income (loss)	$ 32,079	(451,510)

3. The Company's share of the profit or loss of subsidiaries and affiliated companies in 2014 and 2013 was as follows:

	2014	2013
Subsidiary	$ 2,121,181	1,496,886
Affiliated Enterprises	(55)	(226,333)
	$ 2,121,126	1,270,553

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

The capability of the affiliated company to have funds transferred to the Company has not been subject to any significant restrictions.

The Company merged Sino-Solar Corp (hereinafter referred to "Central Solar") and Sunrise Global Solar Energy Co., Ltd. on August 1, 2013 with control over these companies. Sino-Solar Corp was discontinued after the merger. Sunrise Global Solar Energy Co., Ltd. has been included in the consolidated financial statements since August 1, 2013. Please refer to Note 6 (7) for details.

The Company had the subsidiary, Sino Sapphire CO., LTD., merged with Crystalwise Technology Inc. on January 1, 2013 and with a 42.80% stock share of Crystalwise Technology Inc. acquired with a significant influence over Crystalwise Technology Inc.

As of December 31, 2014 and 2013, the Company's investments under the equity method had not been provided as collateral.

(7) Acquisition of subsidiaries and loss of control over the subsidiaries

1. Acquisition of subsidiaries

The merger of Sino-Solar Corp and the Company was resolved in the general shareholders' meeting on June 25, 2013 and the Company had continued to operate while Sino-Solar Corp was discontinued. The base date of the merger was resolved to be scheduled on August 1, 2013 in the board meeting on July 26, 2013. The Company paid NT$809,875 thousand in cash on August 1, 2013 to acquire 58.12% stock shares of Sino-Solar Corp with significant control over it; also, the Company's shareholding ratio in Sino-Solar Corp was increased from 41.88% to 100%. Sino-Solar Corp was engaged in the production and sale of photo-voltaic solar cells.

The Company paid NT$165,358 thousand in cash in May 2013 to acquire 3.47% stock shares of Sunrise Global Solar Energy Co., Ltd. In addition, the Company had acquired a 32.25% stock share in Sunrise Global Solar Energy Co., Ltd. with significant control over it after the merger with Sino-Solar Corp on August 1, 2013. The Company's equity in Sunrise Global Solar Energy Co., Ltd. was increased from 15.23% to 50.95%. Sunrise Global Solar Energy Co., Ltd. was engaged in the production and sale of photo-voltaic solar cells. The Company for the vertical integration of the photo-voltaic solar business group and enhancing operational performance and competitiveness intends to merge Sunrise Global Solar Energy Co., Ltd. where the Company had held a 50.95% stock share. The Company will continue to operate after the merger. The proposal for the merger was approved at the board meeting on August 12, 2013 by both companies independently. Sunrise Global Solar Energy Co., Ltd. may have 2.16 common stock shares exchanged for 1 common stock share of the Company. An additional 56,888 thousand shares were issued for the capitalization arising from the merger and there were 580,007 thousand shares outstanding after the merger. The merger was resolved in the extraordinary shareholders' meeting of Sunrise Global Solar Energy Co., Ltd. on September 30, 2013. Sunrise Global Solar Energy Co., Ltd. was dissolved after the merger. The Company's Chairman was authorized to have the base date of the merger scheduled on August 1, 2014 with Sunrise Global Solar Energy Co., Ltd. and thus the merger process was completed.

The Company had issued new shares to merge Sunrise Global Solar Energy Co., Ltd. in accordance with Paragraph 30~31 of IAS 27. If the change in the equity of the parent company in subsidiaries does not result in a loss of control, it should be handled as an equity transaction, in other words, it is handled as an equity transaction. In such cases, the book value of the controlling and non-controlling equity should be adjusted to reflect the changes of their relative equity in the subsidiaries. The difference between the adjusted amount of the non-controlling equity in Sunrise Global Solar Energy Co., Ltd. and the fair value of the consideration paid should be directly recognized as equity and attributable to the shareholders' equity of the parent company.

According to the requirements referred to above, the Company issued 56,888 thousand shares and paid NT$2,878,537 thousand for the consideration in accordance with the closing price of NT$50.6/share on the base date of the merger; also, after deducting capital stock of NT$568,881 thousand, there was additional paid-in capital - stock premium for NT$2,309,656 thousand documented. The Company had Sunrise Global Solar Energy Co., Ltd. consolidated on the base date of the merger according to the book value of the net assets for NT$4,404,087 thousand. The book value of NT$2,240,616 thousand of Sunrise Global Solar Energy Co., Ltd. originally held by the Company was de-recognized and the difference of NT$715,066 thousand from the consideration paid for the new shares issued was debited to the book value of the non-controlling equity accordingly referred to above; also, the difference from the transfer consideration should be adjusted to the additional paid-in capital (if there was insufficient additional paid-in capital of the same type of transaction, it should be debited to retained earnings). Therefore, the Company first wrote off "3230 Additional paid-in capital – difference between the actual acquisition or disposition of subsidiaries and book value" for NT$29,479 thousand and the insufficient amount of NT$685,587 thousand was debited to "retained earnings."

The Company had the fair value of the 41.88% equity in Sino-Solar Corp and 18.70% equity in Sunrise Global Solar Energy Co., Ltd. re-measured prior to the acquisition in 2013 and with a loss of NT$123,689 thousand and NT$196,446 thousand recognized, respectively. Such losses were recognized in the "Other profit or loss - net loss from the disposal of investment under the equity method" of the Income Statement.

The net income of Sino-Solar Corp and Sunrise Global Solar Energy Co., Ltd. for NT$41,224 thousand was attributable to the Company for the 5-month period as of December 31, 2013. If the acquisition occurred on January 1, 2013, the management estimated the current net income would be NT$464,624 thousand. When determining such amount, the management assumed that the acquisition took place on January 1, 2013; also, it assumed that the adjustment of the estimated fair value was the same on the acquisition date.

The Company for the strategic development of solar module industry had Sino-American Materials Co., Ltd., incorporated with the resolution of the Board of Directors reached on May 13, 2014. Sino-American Materials Co., Ltd., is engaged in the production and sale of EVA film for solar modules with a paid-in capital of NT$100,000 thousand and a factory set-up for a production capacity of 600 MW EVA a year. Sino-American Materials Co., Ltd. was registered for business operations on May 30, 2014 and the Company had invested NT$90,000 thousand to acquire 90% stock shares.

Please refer to the Consolidated Financial Statements for the transfer consideration, the identifiable assets acquired and the liabilities assumed on the acquisition date.

2. Acquisition-related costs

The external legal fees and the cost of on-site inspections arising from the Company's merging Sunrise Global Solar Energy Co., Ltd. and Sino-Solar Corp in 2013 amounted to NT$2,935 thousand, which should be recognized in the "management fees" of the Income Statement.

3. Disposing part of the subsidiary's equity without losing the control

The Companies had 1.68% and 2% equity in Globalwafers Co., Ltd. disposed of on June 30, and October 22, 2014 for an amount of NT$239,625 thousand and NT$381,000 thousand, respectively.

The impact of the changes in the Company's shareholding of Globalwafers Co., Ltd. is as follows:

		2014
The consideration received from the non-controlling equity	$	620,625
The book value of disposed of non-controlling equity		(467,394)
Additional paid-in capital- the spread between the equity buying/selling price and book value	$	153,231

4. Loss of control over the subsidiaries

The Company had acquired 42.80% stock share of Crystalwise Technology Inc. with significant influence after it was merged with Sino Sapphire CO., LTD., the subsidiary of the Company, on January 1, 2013 and discontinued its operations. The Company lost its 95.12% shareholdings in Sino Sapphire CO., LTD. for a disposal price of NT$1,692,284 thousand and with a disposal gain of NT$300,909 thousand reported in the "Other profit or loss - net loss from the disposal of investment under the equity method" of the Income Statement.

Please refer to the Consolidated Financial Statements for the transfer consideration and the disposal of assets and liabilities.

(8) 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	Real estate and building	Machinery equipment	Other equipment	Construction in progress and quarantined equipment	Total
Cost:						
Balance – 1/1/2014	$ -	2,523,933	5,810,231	943,639	42,533	9,320,336
Acquired through business merger	2,380	479,709	2,576,700	568,666	206,128	3,833,583
Additions	-	21,627	211,179	24,168	38,888	295,862
Disposal	-	-	(152,555)	(16,484)	(21,608)	(190,647)
Balance – 12/31/2014	$ 2,380	3,025,269	8,445,555	1,519,989	265,941	13,259,134
Balance – 1/1/2013	$ -	2,514,436	5,775,987	927,510	44,448	9,262,381
Additions	-	9,497	55,109	16,391	(1,915)	79,082
Disposal	-	-	(20,865)	(262)	-	(21,127)
Balance – 12/31/2013	$ -	2,523,933	5,810,231	943,639	42,533	9,320,336
Depreciation and impairment loss:						
Balance – 1/1/2014	$ -	664,499	4,473,214	300,262	-	5,437,975
Assumed through business merger	-	158,738	1,206,733	92,488	-	1,457,959
Current depreciation	-	166,291	261,355	87,625	-	515,271
Disposal	-	-	(134,943)	(16,304)	-	(151,247)
Balance – 12/31/2014	$ -	989,528	5,806,359	464,071	-	7,259,958
Balance – 1/1/2013	$ -	513,468	3,678,553	222,555	-	4,414,576
Current depreciation	-	151,031	814,897	77,829	-	1,043,757
Disposal	-	-	(20,236)	(122)	-	(20,358)
Balance – 12/31/2013	$ -	664,499	4,473,214	300,262	-	5,437,975
Book value:						
December 31, 2014	$ 2,380	2,035,741	2,639,196	1,055,918	265,941	5,999,176
December 31, 2013	$ -	1,859,434	1,337,017	643,377	42,533	3,882,361
January 1, 2013	$ -	2,000,968	2,097,434	704,955	44,448	4,847,805

2. Uncertainty of assumptions and estimates

The Company needs to rely on subjective judgment and base them on assets usage patterns and industrial characteristics throughout the asset impairment evaluation process to determine the independent cash flow of a specific group of assets, service life of assets and potential profit and loss; also, the changes in estimates arising from any changes in the economic situation or the Company's strategies that are likely to cause significant impairments or have the recognized impairment loss reversed.

3. Guarantees

Please refer to Note 8 for the guarantees of long-term loan as of December 31, 2014 and 2013 in details.

(9) Intangible assets

Costs and amortization of intangible assets of the Company are listed as follows:

	Patent
Cost:	
Balance – 1/1/2014	$ -
Acquired through business merger	19,267
Current amortization	(1,482)
Balance – 12/31/2014	$ 17,785

The amortization expense of intangible assets was reported in the operating cost of the Income Statement for an amount of NT$1,482 thousand in 2014.

(10) Short-term loans

	2014.12.31	**2013.12.31**
Unsecured bank loans	$ 750,000	1,004,800
Purchase of materials loan	-	102,371
	$ 750,000	1,107,171
The unutilized credit amount	$ 1,954,800	2,148,436
Ending loan interest rate interval	1.12%~1.14%	1.07%~1.15%

The Company's short-term loan is denominated in NT$.

(11) Long-term loan

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

	2014.12.31			
	Currency	**Ending interest rate interval**	**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

	2013.12.31			
	Currency	**Ending interest rate interval**	**Contract period**	**Amount**
Syndicated loan granted by the Taiwan Cooperative Bank	NTD	1.79%	2013.05.09~2018.05.09	$ 2,489,450
Taiwan Cooperative Bank	NTD	1.50%	2013.06.28~2016.06.28	400,000
CITIC Bank	NTD	1.59%	2013.10.31~2015.10.31	350,000
Mega Bank	NTD	1.50%	2013.07.06~2015.07.05	300,000
E. Sun Bank	NTD	1.58%	2012.07.31~2015.07.31	400,000
Bank of Taiwan	NTD	1.55%	2013.08.12~2016.08.12	300,000
Taipei Fubon Bank	NTD	1.51%	2013.11.27~2015.11.27	300,000
Total				$ 4,539,450
Current				$ 166,667
Non-current				4,372,783
Total				$ 4,539,450
The unutilized credit amount				$ 1,500,000

The Company had a syndicated loan signed with the Cooperative Bank and the other five banks on May 6, 2013 for a credit line of NT$4,000,000 thousand. According to the contract signed, the Company during the loan period must maintain a specific current ratio, debt ratio, times interest earned ratio and net value on the consolidated financial statements of the audited year and on the consolidated financial statements of the second quarter reviewed.

According to the syndicated loan agreement signed between the Cooperative Bank and other banks and the Company, the Company must repay the balance of the syndicated loan to Citibank (Taiwan) and other banks with top priority. The Company after implementing the credit line in May 2013 had repaid the principal and interest to Citibank (Taiwan) and other banks in full and with the credit line cancelled.

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

According to the provisions of the contract referred to above, if the actual credit amount used by the Company in the expected implementation date is less than the amount expected, the Company is to have the commitment fee for the outstanding credit line calculated and paid in accordance with 0.1%~0.2% of the annual fee. As of December 31, 2014, the Company had such credit line utilized in accordance with the contractual schedule without the need to pay for the commitment fee.

The Company’s 2014 consolidated financial report are in compliance with the financial ratio limits.

Please refer to Note 6 (26) for information on the Company’s interest rate, foreign currency and liquidity risk exposure.

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

(12) Finance lease liability

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

	2014.12.31		
	Future minimum lease payment	**Interest**	**The present value of the minimum lease payment**
Within 1 year	$ 19,492	11,515	7,977
1~5 years	77,968	42,756	35,212
Over 5 years	320,726	67,209	253,517
	$ 418,186	121,480	296,706

The Company had merged the financial lease liability of Sunrise Global Solar Energy Co., Ltd. on August 1, 2014, which was for the land lease contract signed with the Industries Development Bureau MOEA in October 2007 to lease the Li-Kong Section of the Lize Industrial Park. According to the contract signed, upon the expiration of the lease, the Company may have the rent that was paid throughout the lease period converted as payment for buying the land according to the market price at the time of signing the contract.

(13) Liability reserve

1. Changes in the Company's liability reserve are as follows:

	Onerous contract
Balance – 1/1/2014	$ 119,519
Liability reserve for merger	427,000
Current liability reserve reversed	(119,519)
Balance – 12/31/2014	$ 427,000
Balance – 1/1/2013	$ 266,616
Current liability reserve reversed	(147,097)
Balance – 12/31/2013	$ 119,519

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

2. Uncertainty of assumptions and estimates

The Company based on future procurement forecast to estimate the possible loss arising from the breach of the long-term purchase contract in order to appropriate loss reserve. Therefore, the impact of future economic change on the Company's operating conditions and results of agreements with suppliers are likely to materially affect the estimation of the Company's liability reserve.

(14) Operating lease

Lease of lessee

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

	2014.12.31	2013.12.31
Within 1 year	$ 8,436	8,690
1~5 years	31,148	31,833
Over 5 years	48,050	55,800
	$ 87,634	96,323

The operating lease expense reported in profit or loss was NT$10,783 thousand and NT$9,976 thousand in 2014 and 2013, respectively.

The company leased the plant from Globalwafers Co., Ltd. The lease term is from October 1, 2011 to September 30, 2015 for an annual rent of NT$816 thousand.

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

(15) Employee benefits

1. Defined benefit plan

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

	2014.12.31	2013.12.31
The total present value of obligations	$ (42,939)	(40,073)
The fair value of plan assets	10,149	9,205
The defined benefit obligations recognized	$ (32,790)	(30,868)

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

(1) Plan assets composition

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

The Company's pension reserve account at the Bank of Taiwan amounted to NT$10,149 thousand on December 31, 2014. 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 2014 and 2013 are as follows:

		2014	2013
Defined benefit obligations – 1/1	$	40,073	37,051
Current service cost and interest		1,060	867
Actuarial (loss) gain		1,806	2,155
Defined benefit obligations – 12/31	$	**42,939**	**40,073**

(3) Changes in the fair value of plan assets

Changes in the fair value of the Company's defined benefit plan assets in 2014 and 2013 are as follows:

		2014	2013
Fair value of the plan assets on January 1	$	9,205	8,298
The expected return of plan assets		192	163
The Company's amount of appropriation		728	789
Actuarial (loss) gain		24	(45)
Fair value of the plan assets on December 31	$	**10,149**	**9,205**

(4) The expenses recognized in the profit or loss

The Company's expenses recognized in the profit or loss in 2014 and 2013 are as follows:

		2014	2013
Current service cost	$	359	357
Interest cost		701	510
The expected return of plan assets		(192)	(163)
	$	**868**	**704**
The actual return of plan assets	$	**216**	**118**

(5) The actuarial profit and loss recognized in other profit or loss

The Company's actuarial profit and loss recognized in the profit or loss in 2014 and 2013 are as follows:

		2014	2013
Accumulated balance – 1/1	$	(22,197)	(19,997)
Recognized currently		(1,782)	(2,200)
Accumulated balance – 12/31	$	**(23,979)**	**(22,197)**

(6) Actuarial assumptions

The major actuarial assumptions used by the Company at the end of the financial reporting day are as follows:

A. The actuarial calculation of the present value of defined benefit obligations on December 31, 2014 and 2013

	2014.12.31	**2013.12.31**
Discount rate	1.625%	1.750%
Expected return on plan assets	2.000%	2.000%
Future salary increases	2.000%	2.000%

B. The actuarial calculation of the defined benefit plan cost in 2014 and 2013

	2014	**2013**
Discount rate	1.750%	1.375%
Expected return on plan assets	2.000%	1.875%
Future salary increases	2.000%	2.000%

(7) Historical information of experience adjustments

	2014.12.31	**2013.12.31**	**2012.12.31**	**2012.1.1**
The present value of defined benefit obligations	$ (42,939)	(40,073)	(37,051)	(31,154)
The fair value of plan assets	10,149	9,205	8,298	7,371
Defined benefit obligations net debt	$ (32,790)	(30,868)	(28,753)	(23,783)
Experience adjustment of the present value of defined benefit plan	$ (1,250)	(4,905)	(5,102)	-
Experience adjustment of the fair value of plan assets	$ 25	(45)	(54)	-

The Company expects to have an amount of NT$856 thousand appropriated for the payment of the defined benefit plan within one year after the 2014 reporting date.

(8) 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 book value of the Company's accrued pension liabilities amounted to NT$32,790 thousand on the 2014 reporting date. When the discount rate is increased or decreased by 0.25%, the changes in the Company's accrued pension liability are as follows:

	The profit and loss of the present value of the defined benefit obligations	
Actuarial assumptions	**Increased by 0.25%**	**Decreased by 0.25%**
Discount rate	$ (1,041)	1,045
Salary adjustment rate	$ 1,078	(1,014)

2. Defined contribution plan

The Company's defined contribution plan complies with the Labor Pension Act. An amount equivalent to 6% of the employee's monthly wage is appropriated to the respective labor pension account with the Bureau of Labor Insurance, Ministry of Labor. According to the defined contribution plan, the Company after appropriating a fixed amount to the Bureau of Labor Insurance, Ministry of Labor is free from any legal or constructive obligations of making extra payments.

The Company's pension expense under the defined contribution plan was NT$24,356 thousand and NT$18,202 thousand in 2014 and 2013, respectively; also, the amount had been appropriated to the Bureau of Labor Insurance, Ministry of Labor.

(16) Income tax

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

The Company and Globalwafers Co., Ltd. have income tax return first 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.

1. Income tax expenses

The Company's income tax expense (profit) in 2014 and 2013 is as follows:

	2014	2013
Current income tax profit		
Occurring during the year	$ (89,024)	(68,068)
Adjustment of the income tax-current of prior period	(235)	(507)
	(89,259)	(68,575)
Deferred income tax expense (profit)		
Temporary differences occurring and reversed	64,287	(25,280)
Changes in the unrecognized deductible temporary differences	34,288	(79,515)
	98,575	(104,795)
Income tax expense (profit)	$ 9,316	(173,370)

The Company's income tax expense (profit) recognized in other profit or loss in 2014 and 2013 is as follows:

	2014	2013
Exchange difference from conversion of financial statements of overseas operations	$ (4,684)	(4,224)

The Company's income tax expense (profit) and net income before tax in 2014 and 2013 is adjusted as follows:

	2014	2013
Net income before tax	$ 1,137,761	121,748
The income tax is calculated in accordance with the domestic income tax rate where the Company is located.	193,419	20,698
Permanent differences adjustment	(402,636)	(145,206)
The underestimation and overestimation of the prior period and unrecognized temporary difference	218,533	(48,862)
	$ 9,316	**(173,370)**

2. Deferred income tax assets and liabilities

(1) The items that have not been recognized as deferred income tax assets by the Company are as follows:

	2014.12.31	2013.12.31
Deductible temporary differences	$ 315,873	98,880
Investment tax credits	-	983,858
Loss carryforwards	291,821	386,642
	$ 607,694	**1,469,380**

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

As of December 31, 2014, the deadline for the deduction of the Company's tax losses arising from the items that had not been recognized as deferred tax assets are as follows:

Annual losses	Loss to be deducted	Deadline for deduction
2012	$ 673,600	2022
2013	190,464	2023
2014	852,530	2024
	$ 1,716,594	

(2) Recognized deferred income tax assets and liabilities

Deferred income tax assets and liabilities are listed as follows:

	2013.1.1	Recognized in the income statement	Recognized in other comprehensive income statement	2013.12.31	Recognized in the income statement	Recognized in other comprehensive income statement	Acquired through business merger	2014.12.31
Allowance for inventory loss in valuation	$ 14,853	(613)	-	14,240	3,184	-	16,773	34,197
Investment tax credits	72,934	(72,934)	-	-	-	-	-	-
Loss deduction	-	183,792	-	183,792	(103,793)	-	-	79,999
Other	64,549	(5,450)	(4,224)	54,875	2,034	(4,684)	9,807	62,032
	$ 152,336	**104,795**	**(4,224)**	**252,907**	**(98,575)**	**(4,684)**	**26,580**	**176,228**

3. Audited and approved income tax return filed

The Company's income tax returns filed have been audited and approved by the tax authorities up to 2011.

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

	2014.12.31	2013.12.31
The attributable year of unappropriated earnings:		
After 1998	$ 392,191	64,423
Tax credit account balance	$ 83,760	79,814

	2014 (Estimated)	2013 (Actual)
ROC resident's tax credit ratio for earnings distribution	21.36%	-

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.

(17) Capital and other equity

The Company's authorized capital amounted to NT$8,000,000 thousand with 800,000 thousand shares issued at NT$10 par on December 31, 2014 and 2013, 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 capital amounted to NT$5,800,312 thousand and NT$5,231,191 thousand, respectively.

The Company's outstanding stock shares in 2014 and 2013 were adjusted as follows (expressed in thousand shares):

	Common stock	
	2014	2013
Beginning outstanding shares – 1/1	523,119	515,526
New shares issued for the merger	56,888	-
Employees exercising stock options	24	-
Buy back treasury stock	-	(170)
Treasury stock shares transferred to employees	-	7,763
Ending outstanding shares – 12/31	580,031	523,119

1. Issuance of common stock

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

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

The Company had additionally issued 56,888 thousand common stock shares for merging Sunrise Global Solar Energy Co., Ltd. on August 1, 2014 and the legal registration procedure for the stock issuance was completed as of December 31, 2014.

2. Additional paid-in capital

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

	2014.12.31	2013.12.31
Common stock premium	$ 16,278,647	14,491,027
Difference between the disposal price and book value of the subsidiary's equity	123,752	-
Additional paid-in capital of long-term equity investment is recognized under the equity method	206,007	122,068
Treasury stock transactions	31,765	31,765
Employee stock options, etc.	355,338	332,642
	$ 16,995,509	14,977,502

According to the Company Law amended in January 2013, additional paid-in capital is for making up losses first before capitalizing the realized additional paid-in capital or distributing cash dividends to shareholders in accordance with the original shareholding ratio. The realized additional paid-in capital referred to above includes the stock premium and bestowed income. According to the Criteria Governing the Offering and Issuance of Securities by Issuers, the total amount of additional paid-in capital for capitalization every year may not exceed 10% of the paid-in capital.

A decision was resolved in the Company's shareholders' meeting on June 26, 2014 to distribute NT$523,142 thousand (NT$1 per share) in cash with the additional paid-in capital of 2013. Please visit the MOPS for the related information.

3. Legal reserve

According to the Company Law amended in January 2013, the Company is to appropriate 10% of its net income as legal reserve until it is equivalent to the total capital amount. If there is no net loss, the Company may have stock dividends or cash dividends distributed with legal reserve based on the resolution reached in the shareholder's meeting, but limited to the legal reserve amount exceeding 25% of the paid-in capital.

4. Special reserve

When the Company adopted the international financial reporting standards (IFRSs) approved by the FSC for the first time, the Company had chosen to apply IFRS 1 "First-time Adoption of the IFRSs" exemptions, retained earnings was increased by NT$161,317 thousand due to the accumulated conversion adjustment (profit) under the shareholders' equity, which exceeding the net increase of NT$102,349 thousand in retained earnings on the conversion date for the first-time adoption of IFRSs approved by the FSC. According to the FSC.Certificate Far.Tzi No. 1010012865 Order of the Financial Supervisory Commission dated April 6, 2012, special reserve is appropriated for the net increase in retained earnings due to the conversion to the IFRSs approved by the FSC; also, it could be reversed for earnings distribution proportionately to the originally appropriated special reserve while using, disposing or reclassifying the related assets. The special reserve balance amounted to NT$102,349 thousand as of December 31, 2014 and 2013, respectively.

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

5. Earnings distributions and dividend policy

According to the Articles of Association amended on June 26, 2014, the Company's annual earnings, if any, should be distributed in the order as follows:

(1) Make up losses.

(2) Appropriate 10% legal reserve. Unless the cumulative legal reserve is equivalent to the Company's total capital stock.

(3) Appropriate or reverse the special reserve in accordance with the law or regulations or the requirements of the competent authorities.

(4) For any remaining balance of the current earnings after deducting the amount in paragraph (1) ~ (3), appropriate not more than 3% of the remaining amount as remuneration to directors and minimum 5% of the remaining amount as employee bonus and the remaining amount thereafter plus undistributed earnings of previous years to be distributed in accordance with the earnings distribution proposed by the board of directors and resolved in the shareholders' meeting.

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

The distributable earnings from the net income of 2014 and 2013 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 earnings distribution was proposed by the Company's Board of Directors on March 24, 2015 for a dividend of NT$1.8/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.

The Company's 2012 loss subsidy proposal was resolved in the shareholders' meeting on June 25, 2013. The loss subsidized with legal reserve and special reserve amounted to NT$773,750 thousand and NT$604,810 thousand, respectively, and without any dividend distribution planned.

6. Treasury stock

The Company exercises treasury stock system to buy back stock shares from the Gre Tai Securities Market. The changes in treasury stock are illustrated by the reasons for buy back as follows:

Unit: Thousand shares

	2013			
Reasons for buy back	**Beginning shareholdings**	**Increase of the year**	**Decrease of the year**	**Ending shareholdings**
Transferred to Company's employees and the subsidiary's employees	7,593	170	7,763	-

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

7. Other equity (after tax)

	Exchange difference arising from the conversion of a foreign institution's financial statements	**Available-for-sale investment**	**Other**	**Total**
January 1, 2014	$ (1,489,219)	(802,589)	-	(2,291,808)
Exchange difference arising from the conversion of a foreign institution's net assets	39,591	-	-	39,591
Exchange difference of the subsidiaries and affiliated companies under the equity method	(211,776)	-	-	(211,776)
Available-for-sale financial assets unrealized gains and losses	-	(196,282)	-	(196,282)
The unrealized profit or loss of the available-for-sale financial assets of the affiliated companies under the equity method	-	4,958	-	4,958
The un-earned remuneration of the employees of the affiliated companies under the equity method	-	-	(6,989)	(6,989)
New shares issued for the merger	(8,206)	-	-	(8,206)
Balance – 12/31/2014	$ (1,669,610)	(993,913)	(6,989)	(2,670,512)

	Exchange difference arising from the conversion of a foreign institution's financial statements	Available-for-sale investment	Other	Total
January 1, 2013	$ (628,954)	(1,107,472)	-	(1,736,426)
Exchange difference arising from the conversion of a foreign institution's net assets	20,623	-	-	20,623
Exchange difference of the subsidiaries and affiliated companies under the equity method	(880,888)	-	-	(880,888)
Available-for-sale financial assets unrealized gains and losses	-	304,883	-	304,883
Balance – 12/31/2013	**$ (1,489,219)**	**(802,589)**	**-**	**(2,291,808)**

(18) Share-based payment

1. Employee stock warrants

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

The Company's employee stock warrant awarded as of December 31, 2014 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	55.10

The remuneration cost of the Company's 2014 and 2013 compensating employee stock option plan amounted to NT$28,808 thousand and NT$52,784 thousand, respectively, (including NT$6,118 thousand and NT$34,818 thousand recognized as remuneration cost by the subsidiaries, respectively). The fair value of the stock option awarded to employees on August 10, 2011 was estimated in accordance with Black-Scholes stock option valuation model and with the weighted average information of the assumptions illustrated as follows:

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

The Company at the time of partition had transferred 2,175 thousand shares and 885 thousand shares of the stock option to the subsidiaries, Globalwafers Co., Ltd. and Sino

Sapphire CO., LTD., on October 1, 2011, respectively. The volume and weighted average price of the Company's employee stock warrant in 2014 and 2013 is disclosed as follows:

	2014		2013	
Employee stock options	**Quantity (thousand shares)**	**Adjusted weighted average price (NT$)**	**Quantity (thousand shares)**	**Adjusted weighted average price (NT$)**
Outstanding shares - beginning	6,350	$ 57.40	6,940	57.40
Confiscated in current period (number of failures)	(20)	57.40	(590)	57.40
The number of shares transferred in the current period of employees assigned to subsidiaries	(2,405)	57.40	-	-
Outstanding shares - ending	3,925	55.10	6,350	57.40
Exercisable employee stock options - ending	1,385	55.10	2,886	57.40
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, 2014 and 2013 was for 1.66 years and 2.66 years, respectively.

2. Treasury stock shares transferred to employees

The expenses of the share-based payment arising from the treasury stock transferred to employees and the subsidiary, Globalwafers Co., Ltd., in 2013 was NT$46,512 thousand (of which, the expense of NT$15,293 thousand was for the share-based payment arising from the treasury stocks transferred to the subsidiary).

The fair value of the share-based payment on the award day is estimated in accordance with Black-Scholes stock option valuation model and with the inputs as follows:

The fair value on the award day	6.06
The stock price on the award day	39.9
Exercising price	33.8
Expected volatility rate (%)	34.072%
Duration of stock option (years)	0.0438 years
Expected dividend rate	3.402%
Risk-free interest rate (%)	0.776%

(19) Earnings per share

1. Basic earnings per share

	2014	2013
Net income attributable to the common stock of the Company	$ 1,128,445	295,118
Weighted average number of outstanding common stock – current	546,844	521,925
Basic earnings per share	$ 2.06	0.57

2. Diluted earnings per share

The 2014 and 2013 employee stock options had no dilution effect; therefore, the diluted earnings per share would not be disclosed.

(20) Income

	2014	2013
Sales of goods	$ 9,086,407	5,201,724
Labor service provided	8,830	3,253
Processing	80,500	3,858
	$ 9,175,737	5,208,835

(21) Other income

	2014	2013
Interest income	$ 4,847	636
Dividend income	11,711	9,203
	$ 16,558	9,839

(22) Other profit and loss

	2014	2013
Foreign currency exchange gains and losses	$ 101,325	33,501
Profit from disposal of investments:		
Net profit from the disposal of available-for-sale financial assets	-	62,342
Loss from the disposal of investment under the equity method	-	(19,226)
Other	60,077	38,792
	$ 161,402	115,409

(23) Finance cost

	2014	2013
Interest expenses		
Bank loans	$ 92,266	103,519
Lease payable	5,485	-
	$ 97,751	103,519

(24) The other profit or loss of the subsidiaries and affiliates companies recognized in accordance with the equity method

The other profit or loss of the subsidiaries recognized in accordance with the equity method in 2014 and 2013 is as follows:

	2014	2013
Actuarial gains and losses of defined benefit	$ (58,898)	(6,264)
Exchange difference from conversion of financial statements of overseas operations	(253,405)	(1,061,790)
Profit in valuation of the available-for-sale financial assets	4,958	-
The income tax related to other comprehensive profit or income	51,643	180,902
	$ (255,702)	(887,152)

(25) Re-classification and adjustment of the other comprehensive profit or income

The re-classification and adjustment of the other comprehensive profit or income of the Company in 2014 and 2013 is as follows:

		2014	2013
Available-for-sale financial assets:			
Net changes in the fair value - current	$	(191,324)	367,225
Net change in fair value reclassified to profit or loss		-	(62,342)
Net change in fair value recognized in other profit or loss	$	(191,324)	304,883

(26) Financial instruments

1. Classification of financial instruments

Financial assets

		2014.12.31	2013.12.31
Available-for-sale financial assets (including financial asstsassets valued at cost)	$	1,725,960	1,795,273
Loans and receivables:			
Cash and cash equivalents		1,460,560	343,226
Notes and accounts receivable (including related party)		1,507,658	1,078,717
Other financial assets (current and noncurrent)		66,337	43,134
	$	3,034,555	1,465,077
	$	4,760,515	3,260,350

Financial liabilities

		2014.12.31	2013.12.31
Financial liabilities valued at the amortized cost:			
Short-term loans	$	750,000	1,107,171
Notes and accounts payable (including related party)		1,056,628	1,493,741
Rent payable (current and noncurrent)		296,706	-
Long-term loans (including long-term loan due in one year)		4,475,334	4,539,450
	$	6,578,668	7,140,362

2. Credit Risk

(1) Credit risk exposure

The book value of financial assets represents the maximum credit risk exposure amount. The maximum credit risk exposure amount wasn't$3,034,555 thousand and NT$1,465,077 thousand on December 31, 2014 and 2013, respectively.

(2) Concentration of credit risk

The Company's material clients are in the silicon wafer industry. The Company assigns a credit line to each customer in accordance with the credit procedures; therefore, the Company's credit risk is mainly affected by the silicon wafer industry. As of December 31, 2014 and 2013, 73% and 88%, respectively, of the Company's notes and accounts receivable (including related party) were attributable to the top-10 customers. Although there was the risk of concentration, the Company had regularly assessed the likelihood of the recovery of receivables and with appropriate allowance for bad debts appropriated.

3. 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.

	Book value	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**
December 31, 2014							
Non-derivative financial liabilities							
Short-term loans	$ 750,000	(758,510)	-	(758,510)	-	-	-
Notes and accounts payable (including related party)	1,056,628	(1,056,628)	(1,056,628)	-	-	-	-
Long-term loans (including long-term loan due in one year)	4,475,334	(4,656,486)	(336,140)	(338,947)	(2,975,473)	(1,005,926)	-
Financing lease liabilities	296,706	(418,186)	(9,746)	(9,746)	(19,492)	(58,476)	(320,726)
	$ 6,578,668	**(6,889,810)**	**(1,402,514)**	**(1,107,203)**	**7,140,362**	**(7,455,798**	**(320,726)**
December 31, 2013							
Non-derivative financial liabilities							
Short-term loans	1,107,171	(1,117,741	(1,920)	(1,115,821)	-	-	-
Notes and accounts payable (including related party)	1,493,741	(1,493,741)	(1,493,741)	-	-	-	-
Long-term loans (including long-term loan due in one year)	4,539,450	(4,844,316)	(84,078)	(84,822)	(1,564,826)	(3,110,590	-
	$ 7,140,362	**(7,455,798)**	**(1,579,739)**	**(1,200,643)**	**(1,564,826**	**(3,110,590)**	**-**

The Company does not expect the cash flow analysis on the maturity date to occur significantly ahead of the schedule or the actual amount will be significantly different.

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:

	2014.12.31		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary items			
USD	$ 84,764	31.650	2,682,781
JPY	31,375	0.2646	8,302
EUR	1,925	38.470	74,055
Financial liabilities			
Monetary items			
USD	27,900	31.650	883,035
JPY	62,131	0.2646	16,440
EUR	1,036	38.470	39,855

	2013.12.31		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary items			
USD	$ 36,490	29.805	1,087,584
JPY	1,009	0.2839	286
EUR	1,260	41.090	51,773
Financial liabilities			
Monetary items			
USD	44,354	29.805	1,321,971
JPY	132,492	0.2839	37,614

(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 the USD, JPY, and EUR was valued or devalued by 5% on December 31, 2014 and 2013 and with all other factors remaining unchanged, the 2014 and 2013 net income before tax was increased or decreased by NT$91,290 thousand and NT$10,997 thousand, respectively. The analysis of the two periods was performed on the same basis.

5. Interest rate analysis

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

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

If interest rates increased or decreased by 0.25%, but all other variables remained constant, the Company's net income before tax in 2014 and 2013 would be decreased or increased by NT$11,153 thousand and NT$13,258 thousand, respectively, mainly due to the Company's loans with variable interest rates.

6. Fair value

(1) The Company's non-derivative short-term financial assets and liabilities include notes and accounts receivable/payable (including related party), other receivable to / payable from related party, other financial assets - current and non-current, and short-term loans; also, the fair value is estimated in accordance with the book value at the balance sheet date. Since such instrument is with a short expiration date, the book value is a reasonable basis used to estimate the fair value.

(2) In addition to the financial assets and liabilities referred to above, the fair value of the remaining non-derivative financial assets and liabilities is as follows:

	2014.12.31		2013.12.31	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets:				
Financial assets in available-for-sale-non current	$ 858,637	858,637	1,000,245	1,000,245
Financial liabilities:				
Long-term loans (including long-term loan due in one year)	4,475,334	4,475,334	4,539,450	4,539,450
Rent payable (current and noncurrent)	296,706	357,559	-	-

(3) The Company has the fair value of the financial assets and financial liabilities referred to above determined in accordance with the following methods:

A. If the available-for-sale financial assets are quoted with the available market price, the market price is the fair value.

B. Long-term loans: It is with an interest-bearing nature with a floating interest rate adopted; therefore, the loan amount is the fair value.

C. The fair value of the lease payable is determined in accordance with the generally accepted pricing models based on the cash flow discount analysis. The 1.78% discount rate adopted for estimating the fair value of the lease payable is based on the quoted 10-year loan interest rate swap.

(4) The fair value hierarchy

Analyze financial instruments that are measured at fair value in accordance with the following evaluation methods. The definition of each fair value category is as follows:

A. Level I: The market quoted price of the identical assets or liabilities (unadjusted);

B. Level II: In addition to the quoted prices included in Level I, the input parameters of the asset or liability can be observed directly (*i.e.* prices) or indirectly (*i.e.* derived from prices).

C. Level III: Input parameters of the asset or liability are not based on the observable market data (non-observable parameters)

	Level I	**Level II**	**Level III**	**Total**
December 31, 2014				
Financial assets in	$ 858,637	-	-	858,637

available-for-sale-non current				
December 31, 2013				
Financial assets in available-for-sale-non current	$ 1,000,245	-	-	1,000,245

(27) Financial Risk Management

1. Outline

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

(1) Credit Risk

(2) Liquidity Risk

(3) Market Risk

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

2. Risk management structure

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

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

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

3. Credit Risk

The primary potential credit risk of the Company mainly comes from the financial instruments of cash and accounts receivable. The Company's cash is deposited in different financial institutions The Company controls the credit risk exposure of each financial institution, and believes that the Company's cash is free of any notable significant concentration of credit risk.

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.

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.

The Company has conducted derivatives transactions to manage market risk with the resulting financial liabilities. All transactions are executed in compliance with the guidelines of the Board of Directors.

(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. Such transactions are mainly denominated in the currencies of NTD, USD, JPY and EUR.

Loan interest is denominated in the currency of the loan principal. In general, a loan is in the same currency as the cash flow generated from an operating activity, which is mainly in NTD.

For other monetary assets and liabilities denominated in foreign currencies, for any short-term imbalance occurring, the Company is to maintain the net risk exposure at an acceptable level by buying or selling foreign currency at the spot exchange rate.

(2) Interest rate risk

The Company holds assets and liabilities with floating interest rates, resulting in a cash flow interest rate risk exposure.

(3) Equity instrument price

Please refer to Note 6 (4) for risk of changes, in detail.

(28) Capital Management

The policy of the Board of Director is to maintain sound capital base in order to uphold the confidence of investor, creditor, and market, and to support future operations and development. Capital includes the Company's capital stock, 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:

	2014.12.31	2013.12.31
Total liabilities	$ 10,271,663	11,111,782
Less: Cash and cash equivalent	(1,460,560)	(343,226)
Net liabilities	$ 8,811,103	10,768,556
Total Equity	$ 20,898,239	18,297,624
Debt capital ratio	42.16%	58.85%

The Company buying back treasury stock is for having it transferred to the employees. The trade of treasury stock is a decision of the Board of Directors in accordance with the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies." The Company does not have defined plans to buy back treasury stock.

As of December 31, 2014, the capital management method of the Company had not been changed.

(29) Investment and financing activities of non-cash transactions

The Company issued common stock shares on August 1, 2014 to acquire 49.05% stock shares of Sunrise Global Solar Energy Co., Ltd. Please refer to Note 6 (7) and (17) for details.

7. Related party transactions

(1) The relationship between parent company and subsidiaries

The Company's subsidiaries are as follows:

	Location of establishment	Shareholder's equity (shareholder ratio %) 2014.12.31	2013.12.31
Sino Silicon Technology Inc. (referred to as "SSTI" hereinafter)	British Virgin Islands	100%	100%
Globalwafers Co., Ltd.	Taiwan	94.92%	98.6%
Sunrise Global Solar Energy Co., Ltd.	Taiwan	-	50.95%
Aleo Solar GmbH (hereinafter referred to as "Aleo Solar") (Note)	Germany	100%	-
Aleo Solar Distribuzione Italia S.r.l.	Italy	100%	-
Sino-American Materials Co., Ltd.	Taiwan	90%	-
GlobalSemiconductor Inc. (hereinafter referred to as GSI)	Cayman	100%	100%
GlobalWafers Inc. (hereinafter referred to as "GWI")	Cayman	100%	100%
GWafers Co., Ltd. (hereinafter referred to as "GWafers")	Japan	100%	100%
Sino-America Silicone Products Inc. (hereinafter referred to as "Sino-America Silicone")	Kunshan City, Jiangsu Province	100%	100%
GlobiTech Incorporated (hereinafter referred to as "GTI")	Texas	100%	100%
GlobalWafers Japan Co., Ltd. (hereinafter referred to as "GWJ")	Japan	100%	100%

Note: Was known as "SCP Solar GmbH" and renamed as "Aleo Solar GmbH" in 2014.

(2) Parent company and ultimate controller

The Company is the ultimate controller of the Company and its subsidiaries.

(3) Major management transactions

The remuneration to main management includes:

	2014	2013
Short-term employee benefits	$ 55,685	16,279
Post-employment benefits	513	540
Share-based payment	-	14,079
	$ 56,198	30,898

The Company provided 4 automobiles for a total of NT$4,645 thousand and 3 automobiles for a total of NT$3,145 thousand for the use by management in 2014, and 2013, respectively as follows:

Please refer to Note 6 (18) for the share-based payment, in detail.

(4) Other related party transactions

1. Operating revenue

The Company's materials sales amount to the related party are as follows:

		2014	2013
Subsidiary	$	398,712	198,737
Affiliated Enterprises		1	31,963
The major management		-	348,889
Other related parties		1,096,537	44,867
	$	1,495,250	624,456

The Company had processing income from the related party for NT$215,330 thousand and NT$199,416 thousand in 2014 and 2013 that was debited to the operating cost, respectively.

The Company offers selling price to the related party in accordance with the general market price and has the price adjusted with the considerations of sales area, sales volume, etc.

The Company offered a payment term of O/A 0~210 days to general customers in 2014 and 2013. The Company offered a payment term of O/A 30 days after shipment ~ O/A 120 days from the following month of the shipment made and O/A 35 days after shipment ~ O/A 60 days from the following month of the shipment made to the related party.

2. Purchase and outsourced processing

The amount of purchase and outsourced processing from the related party by the Company is as follows:

		2014	2013
Subsidiary	$	15,496	75,312
Affiliated Enterprises		-	7,090
Other related parties		320,473	6,840
	$	335,969	89,242

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 ~ O/A 120 days from the following month of the shipment receive from general suppliers in 2014 and 2013. The Company was granted a payment term of O/A 15 days from the following month of the shipment received and O/A 60 days from the related party.

3. Receivables from related parties

The Company's receivables from the related parties are as follows:

Account	Classification of related party		2014.12.31	2013.12.31
Receivables from related parties	Subsidiary	$	121,490	93,063
Receivables from related parties	The major management		-	110,748
Receivables from related parties	Other related parties		160,005	-
		$	281,495	203,811

In addition, the related party has long-term supply agreements signed with the Company gradually to secure a stable supply of raw materials for production. As of December 31, 2014, and 2013, the advances from the related party (booked in the "received in advance" and "long-term prepayment") were as follows:

	2014.12.31	2013.12.31
Subsidiary	$ -	307,053
The major management	-	1,109,038
Other related parties	1,015,786	-
	$ 1,015,786	1,416,091

4. Payables to related parties

The Company's payable to related parties is as follows:

Account	Classification of related party	2014.12.31	2013.12.31
Payable to related parties	Subsidiary	$ 1,302	294,422
Payable to related parties	Other related parties	77,142	4,348
		$ 78,444	298,770

5. Property trade

The Company's selling machinery equipment to the related party is summarized as follows:

	2014		2013	
	Sale price	Receivables - ending	Sale price	Receivables - ending
Subsidiary	$ 30,114	-	-	-

The Company's buying machinery equipment from the related party is summarized as follows:

	2014		2013	
	Amount	Payables - ending (pre-payment for equipment)	Amount	Payables - ending
Subsidiary	$ 3,500	-	-	-
Other related parties	238,999	(95,623)	-	-
	$ 242,499	(95,623)	-	-

6. Acquisition of equity investment from Sino-Solar Corp

The Company had acquired the equity of Sino-Solar Corp from the Company's major management in August 2013 for 72,799 thousand shares for an amount NT$513,232 thousand. Please refer to Note 6 (7) for the merger of Sino-Solar Corp and the Company, in detail.

7. Management fee income

The Company collects management fee income from the related party and debits it to the management expense as follows:

	2014	2013
Subsidiary	$ 37,546	87,139

As of December 31, 2014 and 2013, the management fees receivable to be collected amounted to NT$11,367 thousand and NT$10,654 thousand and was booked in the "Accounts receivable – related party" account.

8. Technical services income

The Company collects technical service income from the related party and booked in the "Other profit or loss" account as follows:

		2014	2013
Subsidiary	$	13,786	14,850
Affiliated Enterprises		741	2,113
	$	14,527	16,963

As of December 31, 2014 and 2013, the outstanding technical service income to be collected amounted to NT$3,576 thousand and NT$3,562 thousand and was booked in the "Accounts receivable – related party" account.

9. Consolidated Tax Return System

The Company and the subsidiaries have the profit-seeking enterprise income tax return filed in accordance with the Consolidated Tax Return System since the year of 2012. As of December 31, 2014 and 2013, the estimated amount of the consolidated tax return system to be collected amounted to NT$89,025 thousand and NT$68,068 thousand and was booked in the "Accounts receivable – related party" account.

10. Loaning of Funds

The Company due to the operational needs had borrowed money from a subsidiary with an ending balance of NT$0 and NT$98,357 thousand as of December 31, 2014 and 2013, respectively, and was booked in the "Accounts payable – related party" account.

The Company's loaning of funds from the subsidiaries is based on the average loan interest rate from the financial institutions during the year; also, it is an un-guaranteed loan. Interest expense in 2014 and 2013 was NT$1,973 thousand and NT$87 thousand, respectively. As of December 31, 2014 and 2013, the interest payable-ending was NT$0 and NT$87 thousand, respectively, and was booked in the "Accounts payable – related party" account.

11. Endorsements and Guarantees

The Company's making of endorsements and guarantees for the related party is summarized as follows:

		2014.12.31	2013.12.31
Subsidiary	$	139,061	864,524

12. Advanced money

As of December 31, 2014 and 2013, the Company's accounts receivable (payable) – related party arising from the advances paid or collected for the purchase of materials, insurance, and utilities with the related party should be booked in the "Accounts receivable (payable) – related party" account as follows:

		2014.12.31	2013.12.31
Subsidiary	$	892	74,978
Subsidiary		(488)	(89,698)
Affiliated Enterprises		9,822	9,992
Affiliated Enterprises		(41)	(41)
The major management		-	(5)
Other related parties		(3,527)	-
	$	6,658	(4,774)

13. Other

(1) The Company had transactions conducted with the subsidiaries by trading in 2014 and 2013, then the subsidiaries were to have the finished goods after production sold back

to the Company and the Company had it sold to the customers immediately. Transactions were denominated at cost plus percentage. Sales income and purchase had been written off when the financial statements were prepared and they were not treated as the Company's sales and purchases. The unrealized gains and losses arising from the indirect trading had been deferred. The labor service income generated from these transactions referred to above were NT$8,830 thousand and NT$3,253 thousand, respectively, and they were listed in the "labor service income" account.

(2) The Company's signing a lease contract with the related party is summarized as follows:

The Company has a lease contract signed with the related party for the plant located in Hsinchu Industrial Park. The related rent expenses and other payables to the related party is detailed as follows:

	2014	2013
Subsidiary	$ 816	816

The Company leased a plant from a subsidiary and the Company had rent paid in full as of December 31, 2014 and 2013.

(3) The related party has a plant lease contract signed with the Company as follows:

The Company has a lease contract signed with the related party. The related rent income and accounts receivable – related party from the related party is detailed as follows:

	2014	2013
Subsidiary	$ 2,400	2,400
Affiliated Enterprises	7,836	7,836
	$ 10,236	10,236

Account	Classification of related party	2014.12.31	2013.12.31
Receivables from related parties	Subsidiary	$ 420	420
Receivables from related parties	Affiliated Enterprises	686	686
		$ 1,106	1,106

8. Pledged assets

(1) The book value of the assets pledged by the Company as collateral is as follows:

Assets	Pledge or Mortgage underlying subject	2014.12.31	2013.12.31
Property, plant and equipment	Long-term debt payable	$ 622,561	2,539,801
Bank deposits (booked in the "other financial assets – noncurrent" account)	Innovation Center program performance bond	21,745	35,739
Bank deposits (booked in the "other financial assets – noncurrent" account)	Solar energy demonstration system pledge guarantee	201	201

Bank deposits (booked in the "other financial assets – noncurrent" account)	Pledged as collateral to a land lease	20,497	5,938
Bank deposits (booked in the "other financial assets – noncurrent" account)	Phase III Bond of Technology Development Program	8,400	-
		$ 673,404	2,581,679

9. Material contingent liability and unrecognized contractual commitments

(1) The Company's purchase amount yet to be spent in accordance with the current effective long-term purchase contract is as follows:

(Foreign currency unit: NT$ Thousand)

	2014.12.31	2013.12.31
USD	$ 1,100,639	1,262,809
EUR	$ 22,005	36,354

As of December 31, 2014, the cumulative payable for the goods yet to be collected, pre-payment and late payment interest arrearage demanded by a supplier in writing in accordance with the long-term purchase contract amounted to US$123,768 thousand (equivalent to NT$3,917,257 thousand). The Company considers that the possibility of making payment to the supplier is low and is continuing to work with the supplier for a solution. The aforementioned amount of the purchase yet to be collected, except for interest, included the amount requested by the supplier.

The pre-payment for goods to a silicone supplier by the Company in 2014 was with impairment loss of NT$444,256 thousand appropriated. As of December 31, 2014, the book value of the amount pre-paid to the silicone supplier by the Company was NT$2,418,568 thousand and it was booked in the "pre-payments and long-term pre-paid material" account.

(2) In response to the long-term purchase contract referred to above, the Company has silicone 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 to be made according to the existing contracts and current market conditions is as follows:

(Foreign currency unit: NT$ Thousand)

	2014.12.31	2013.12.31
USD	$ 197,859	412,016
EUR	$ 143,544	215,564
NTD	$ 3,002,132	4,312,314

(3) As of December 31, 2014 and 2013, the total amount of promissory notes deposited in the bank by the Company after obtaining bank loans was NT$9,254,800 thousand and

NT$9,304,800 thousand, respectively.

(4) As of December 31, 2014 and 2013, the amount of the performance bond issued by the bank upon the request of the Company to the Directorate General of Customs, Ministry of Finance and for R&D programs was NT$45,680 thousand and NT$23,000 thousand, respectively.

(5) The Company and polycrystalline solar cell manufacturers (hereinafter referred to as "the manufacturer") have a cooperation agreement signed so that the manufacturer is to provide plant and equipment to the Company for business operations from April 1, 2015 to March 31, 2021. According to the contract, the Company shall allocate part of the operating profit arising from the plant and equipment to the manufacturer. During the contract period, after the cumulative operating profit reached a certain amount, the Company is entitled to obtain the ownership of the plant and equipment with or without any consideration paid.

10. Loss from major accidents: None.

11. Materiality after the period: None.

12. Others

Employee benefits and depreciation expenses are summarized by functions as follows:

Function / Nature	2014			2013		
	Classified as operating cost	**Classification of operating expenses**	**Total**	**Classified as operating cost**	**Classification of operating expenses**	**Total**
Employee benefits expense						
Salaries	607,199	173,463	780,662	388,801	137,257	526,058
Labor and health insurance	45,438	7,992	53,430	33,859	6,728	40,587
Pension expenses	20,998	4,226	25,224	15,442	3,464	18,906
Other employee benefits expense	29,058	3,114	32,172	21,786	2,575	24,361
Depreciation expense	473,368	41,903	515,271	1,013,412	30,345	1,043,757
Amortizations	1,482	-	1,482	-	-	-

The Company had 1,288 employees and 809 employees on the payroll as of December 31, 2014 and 2013, respectively.

13. Supplementary disclosure

(1) Information on major trade

The materials transactions to be disclosed by the Company in 2014 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers are as follows:

1. Loaning of Funds: Attachment I
2. Endorsement and guarantee for others: Attachment II
3. Marketable securities held at year end (Does not include investments in subsidiaries, affiliated companies and joint control): Attachment III
4. The cumulative purchase or sale of the same security for an amount over NT$300 million or 20% of the paid-in capital: Attachment IV
5. Acquisition of real estate for an amount over NT$300 million or 20% of the paid-in capital: Attachment V
6. The amount of real property disposed exceeds NT$300 million or 20% of stock capital collected: None
7. The purchase or sale amount with the related parties for an amount over NT$100 million or 20% of the paid-in capital: Attachment VI
8. Receivables from related parties for an amount over NT$100 million or 20% of the paid-in capital: Attachment VII
9. Trading of Derivative Products: None.

(2) Transfer Investment Information: Attachment VIII

(3) Information on investment in Mainland China:

1. Investments in Mainland China information: Please refer to Attachment IX (I) for details.
2. Investment limits in Mainland Chins: Please refer to Attachment IX (II) for details.

14. Segment information

Please refer to the 2014 consolidated financial statements for segment information, in detail.

Sino-American Silicon Products Inc. and its subsidiaries
Loaning of Funds
January 1 – December 31, 2014

Attachment I

Unit: NT$ Thousand

No.	Lending company	Borrower	Inter account	A related party or not	Maximum amount	Balance - ending	The actual utilization amount balance	Interest rates interval	Nature of the loans (Note 1)	Trade amount	Reasons for short-term financing	Allowance for bad debt	Collateral		Loaning of fund to individual object and the limits (Note 2 and 4)	Total loaning of fund limits (Note 3)
													Name	Value		
1	Globalwafers Co., Ltd.	Sino-American Silicon Products Inc.	Loan receivable – related party	Yes	1,200,000	1,200,000	-	1.8%	2	-	Working capital	-	-	-	1,320,081	5,280,326
1	Globalwafers Co., Ltd.	GWJ	Loan receivable – related party	Yes	1,954,260 (JPY6,600,000)	-	-	1.8%	2	-	Working capital	-	-	-	2,640,163	5,280,326
2	SSTI	Sino-American Silicon Products Inc.	Loan receivable – related party	Yes	100,551 (USD3,300)	-	-	1.09%	2	-	Working capital	-	-	-	111,372	445,489
3	Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Loan receivable – related party	Yes	13,465 (EUR350)	13,465	13,465	-	2	-	Working capital	-	-	-	50,367	201,468

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 the 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 the 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 the foreign company with 100% voting rights held directly and indirectly by the lender, the individual loan amount is limited to 20% of the net worth of the lender.

Note 3: For the loaning of funds to the business counterpart, the total loan amount is limited to 40% of the net worth of the lender. For the loaning of funds to the 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 the foreign company with 100% voting rights held directly and indirectly by the lender, the total loan amount is limited to 40% of the net worth of the lender.

Sino-American Silicon Products Inc. and its subsidiaries
Endorsement and guarantee for others:
January 1 – December 31, 2014

Attachment II

Unit: NT$ Thousand

No.	Endorsing company	Endorsed company		Endorsement and guarantee amount for individual enterprise (Note 2)	Maximum Balance in current period	Balance at ending	Actual financing amount	Endorsement and guarantee with assets as collateral	Ratio of accumulated endorsement and guarantee to the net worth on the most recent financial statement	Upper limit for guarantee (note 1)	It is the parent company-to-subsidiary endorsement and guarantee	Endorsement and guarantee made to the parent company by the subsidiaries	It is the endorsement and guarantee made in Mainland China.
		Company Name	Relation										
0	Sino-American Silicon Products Inc.	GTI	Transfer investment company of Sino-American Silicon Products Inc.	2,089,824	731,280 (USD 24,000)	-	-	-	-	10,449,120	Y	N	N
0	Sino-American Silicon Products Inc.	GWJ	- Ditto -	2,089,824	155,616 (JPY 525,551)	139,061 (JPY 525,551)	-	-	0.66%	10,449,120	Y	N	N
1	Globalwafers Co., Ltd.	GWJ	- Ditto -	1,320,081	274,000 (JPY 1,000,000)	264,000 (JPY 1,000,000)	-	-	2.00%	6,600,407	Y	N	N

Note 1: The total cumulative endorsement and guarantee amount provided is limited to 50% net worth on the most recent financial statements of the endorsing company.

Note 2: The endorsement and guarantee amount provided to one single company is limited to 10% net worth on the most recent financial statements of the endorsing company.

Note 3: The total cumulative endorsement and guarantee amount and the endorsement and guarantee amount provided to one single company by the endorsing company and its subsidiaries is limited to 50% net worth on the most recent financial statements of the endorsing company.

Note 4: The endorsement and guarantee provided to the following enterprises are exempted from the three limitations referred to above:

(1) The companies with 50% voting rights directly or indirectly held by the endorsing company; and

(2) The parent company held 50% voting rights of the endorsing company directly or indirectly and the companies with 50% voting right directly or indirectly held by the parent company.

Sino-American Silicon Products Inc. and its subsidiaries
Marketable securities held at yearend (not including investments in subsidiaries, affiliates, and joint ventures)
December 31, 2014

Attachment III

Unit: NT$ Thousand / Thousand shares

Holding company	Type and title of marketable securities	Affiliation with security issuers	Account titles	Ended				The highest capital contribution in the interim	Remarks
				Number of shares	Book value	Shareholding ratio	Fair value		
Sino-American Silicon Products Inc.	Stock of Solartech Energy Corp.	Sino-American Silicon Products Inc. is the management of Solartech Energy Corp.	Financial assets in available-for-sale-non current	29,480	619,089	7.93%	619,089	9.16%	-
Sino-American Silicon Products Inc.	Stock of Actron Technology Corporation	The Chairman of such company is also the Chairman of Sino-American Silicon Products Inc.	- Ditto -	2,129	239,548	2.84%	239,548	2.84%	-
					858,637				
Sino-American Materials Co., Ltd.	Mega International Diamond money market securities investment trust fund	-	Financial assets measured at fair value through profit or loss-current	425	5,225	-	5,225	-	-
Sino-American Silicon Products Inc.	Stock of SONGLONG ELECTRONICS CO., LTD.	-	Financial assets measured at cost - noncurrent	221	-	13.81%	13,130	13.81%	Note 1
Sino-American Silicon Products Inc.	Stock of Giga Epitaxy Technology Corp.	-	- Ditto -	1,100	7,499	1.52%	7,876	1.52%	Note 1
Sino-American Silicon Products Inc.	Stock of 21-Century Silicon Inc.	-	- Ditto -	1,000	-	7.74%	-	7.74%	Note 2
Sino-American Silicon Products Inc.	Stock of Powertec Energy Corporation	-	- Ditto -	84,895	774,936	5.00%	396,351	11.90%	Note 1
Sino-American Silicon Products Inc.	Stock of Sunshine PV Corp.	-	- Ditto -	5,928	84,888	3.59%	28,582	3.59%	Note 1
SSTI	Stock of SILFAB SPA	-	- Ditto -	5,295	536,444	15.20%	313,934	15.20%	Note 2
SSTI	Stock of Clean Venture 21 Corporation	-	- Ditto -	10	-	7.30%	964	7.30%	Note 1
SSTI	Stock of ZE Poly Pte Ltd.	-	- Ditto -	2,808	-	19.10%	3,029	19.10%	Note 1
					1,403,767				

Note 1: Presented in the most recent financial report.

Note 2: The company’s most recent report has not yet been received.

Sino-American Silicon Products Inc. and its subsidiaries
The cumulative purchase or sale of the same security for an amount over NT$300 million or 20% of the paid-in capital
January 1 – December 31, 2014

Attachment IV

Unit: NT$ Thousand / Thousand shares

Trade company	Type and title of marketable securities	Account titles	Counter party	Relation	Beginning		Bought		Sold				Ended	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Carrying cost	Disposition gain or loss	Number of shares	Amount
Sunrise Global Solar Energy Co., Ltd.	Stock of Aleo Solar	Long-term investments (Equity method)	Aleo Solar	-	-	-	-	502,879 (Note 1)	-	-	-	-	Company	502,879
Sino-American Silicon Products Inc.	Stock of Sunrise Global Solar Energy Co., Ltd.	- Ditto -	British Virgin Islands, Pan-Asia Solar and other	-	127,660	2,192,603	122,878	2,204,186 (Note 1)	250,538	4,396,789 (Note 2)	4,396,789	-	-	-
Sino-American Silicon Products Inc.	Stock of Crystalwise Technology Inc.	- Ditto -	-	-	72,166	1,475,653	12,683	417,018 (Note 1)	-	-	-	-	84,849	1,892,671
Sino-American Silicon Products Inc.	Stock of Globalwafers Co., Ltd.	- Ditto -	-	-	313,056	12,949,180	-	-	11,675	620,625	416,368 (Note 1)	153,231	301,381	12,532,812

Note 1: It includes equity investment gains and losses recognized currently and cumulative translation adjustment.
Note 2: The company was discontinued after merging with Sino-American Silicon Products Inc. on August 1, 2014.

Sino-American Silicon Products Inc. and its subsidiaries
Acquisition of real estate for an amount over NT$300 million or 20% of the paid-in capital:
January 1 – December 31, 2014

Attachment V

Real estate acquiring company	Property name	Transaction date or event date	Trade amount	Payment	Counter party	Relation	Previous transfer data for counterparties who are related parties				Price references	Purpose of acquisition and application	Other matters agreed
							Owner	Relationship with the issuer	Transfer date	Amount			
Sino-American Silicon Products Inc.	**Plant**	**August 2014**	323,351	-	Sunrise Global Solar Energy Co., Ltd.	Related Party	-	-	-	-	The merged subsidiaries are booked at book value.	For operational use	None.

Sino-American Silicon Products Inc. and its subsidiaries
The purchase or sale amount with the related parties for an amount over NT$100 million or 20% of the paid-in capital
January 1 – December 31, 2014

Attachment VI

Unit: NT$ Thousand

Buying (selling) companies	Name of the trade counterpart	Relation	Status of trade				Special terms and conditions of trade and reasons		Notes receivable (payable), accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Total percentage of the accounts and notes receivable (payable) (%)	
Sino-American Silicon Products Inc.	Solartech Energy Corp.	Sino-American Silicon Products Inc. is the management of Solartech Energy Corp.	Purchase	300,396	4%	OA 45 days	-	-	(73,951)	(7)%	-
Solartech Energy Corp.	Sino-American Silicon Products Inc.	Sino-American Silicon Products Inc. is the management of Solartech Energy Corp.	Purchase	1,083,821	12%	OA 45 days	-	-	(126,836)	(9)%	-
Aleo Solar	Sino-American Silicon Products Inc.	Subsidiaries directly held by Sino-American Silicon Products Inc.	Purchase	355,496	5%	OA 90 days	-	-	(65,543)	(5)%	-
Globalwafers Co., Ltd.	GTI	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	783,070	9%	OA 45 days	-	-	(104,580)	(7)%	-
Globalwafers Co., Ltd.	Sino-America Silicon Products Inc.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	1,545,941	19%	OA 45 days	-	-	(220,643)	(15)%	-
Globalwafers Co., Ltd.	GWJ	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	4,981,064	60%	OA 60 days	-	-	(1,046,634)	(69)%	-

Buying (selling) companies	Name of the trade counterpart	Relation	Status of trade				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 Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	2,124,865	31%	OA 45 days	-	-	(249,820)	(13)%	-
Sino-America Silicon Products Inc.	Globalwafers Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	817,748	12%	OA 135 days	-	-	(556,856)	(28)%	-
GWJ	Globalwafers Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	219,382	3%	OA 60 days	-	-	(49,247)	(2)%	-
Actron Technology Corporation	Globalwafers Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	314,847	5%	OA 60 days	-	-	(82,930)	(4)%	-

Sino-American Silicon Products Inc. and its subsidiaries
Receivables from related parties for an amount over NT$100 million or 20% of the paid-in capital
December 31, 2014

Attachment VII

Unit: NT$ Thousand

Account receivable company	Name of the trade counterpart	Relation	Receivables from related parties	Turnover rate	Overdue receivables from related parties		Accounts receivable from related party Amount of post collection (Note)	Allowance for bad debt
					Amount	Process		
Globalwafers Co., Ltd.	GTI	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	249,820	9.27	-	-	249,820	-
Globalwafers Co., Ltd.	Sino-America Silicon Products Inc.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	556,856	2.20	-	-	444,956	-
Sino-America Silicon Products Inc.	Globalwafers Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	220,643	8.51	-	-	218,065	-
GWJ	Globalwafers Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	1,046,634	5.08	-	-	929,793	-
GTI	Globalwafers Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	104,580	7.45	-	-	104,580	-
Sino-American Silicon Products Inc.	Solartech Energy Corp.	The management of Sino-American Silicon Products Inc.	126,836	9.12	-	-	126,836	-

Note: The amount of post collection as of March 30, 2015

Sino-American Silicon Products Inc. and its subsidiaries
Reinvestment information (not including investments in Mainland China)
January 1 – December 31, 2014

Attachment VIII

Unit: NT$ Thousand / Thousand shares

Investment Company	Invested company name	Area	Main Business	The amount of the original investment		Ending shareholdings			Net income (loss) of the invested company	Investment gains and losses recognized in the current period	Remarks
				End of the period	The end of last year	Number of shares	Ratio	Book value			
Sino-American Silicon Products Inc.	SSTI	British Virgin Islands	The holding company of Sino-American Silicon Products Inc. for overseas investments	1,425,603 (USD45,255)	1,479,483 (USD47,024)	48,526	100.00%	1,113,723	8,634	8,634	Note 1
Sino-American Silicon Products Inc.	Globalwafers Co., Ltd.	Taiwan	Semiconductor silicon wafer materials and components manufacturing and trade	12,017,180	12,484,574	301,381	94.92%	12,532,812	2,095,432	2,041,578	-
Sino-American Silicon Products Inc.	Crystalwise Technology Inc.	Taiwan	Optical wafer and substrate manufacturing and trade	2,010,843	1,692,284	84,848	40.45	1,892,671	30,565	(55)	Note 3
Sino-American Silicon Products Inc.	Sunrise Global Solar Energy Co., Ltd.	Taiwan	Solar cell manufacturing and sale and wholesale of electronic materials	-	2,171,598	-	-	-	249,104	130,451	Note 3,4
Sino-American Silicon Products Inc.	Sino-American Materials Co., Ltd.	Taiwan	EVA film for solar modules manufacturing and sale	90,000	-	9,000	90.00%	79,993	(11,211)	(10,007)	-

Investment Company	Invested company name	Area	Main Business	The amount of the original investment		Ending shareholdings			Net income (loss) of the invested company	Investment gains and losses recognized in the current period	Remarks
				End of the period	The end of last year	Number of shares	Ratio	Book value			
Sino-American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar cell module manufacturing	112,193	26,096	7,452	24.70%	112,193	1,511	-	-
Sino-American Silicon Products Inc.	Aleo Solar	Prenzlau	Solar module manufacturing and sale	558,139 (EUR13,500)	-	(Note 2)	100.00%	502,879	(49,475)	(49,475)	Note 3
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Italy	Solar module manufacturing and sale	4,078 (EUR100)	-	(Note 2)	100.00%	3,847	156	-	-
Globalwafers Co., Ltd.	GWI	Cayman	Business investments	2,241,668 (USD73,423)	2,241,668 (USD73,423)	90,000	100.00%	3,384,374	147,439	147,439	-
Globalwafers Co., Ltd.	GSI	Cayman	Business investment and triangular trade center with subsidiaries in China	756,809 (USD26,555)	756,809 (USD26,555)	25,000	100.00%	893,706	22,591	22,591	-
Globalwafers Co., Ltd.	GWafers	Japan	Business investments	5,448,015 (JPY13,827,513)	5,448,015 (JPY13,827,513)	(Note 2)	100.00%	6,798,986	1,753,712	1,753,712	-
GWI	GTI	Texas	Epitaxial silicon wafer production and trade of epitaxy foundry business	2,241,668 (USD73,423)	2,241,668 (USD73,423)	1	100.00%	3,384,374	162,608	147,439	Note 3
GWafer	GWJ	Japan	The semiconductor silicon wafer manufacturing and trade	5,484,300 (JPY13,142,798)	5,484,300 (JPY13,142,798)	128	100.00%	6,709,518	977,722	1,754,152	Note 3

Note 1: The initial investment amount does not include capitalization from earnings.

Note 2: It is a Limited Company.

Note 3: The recognition of investment gains and losses includes investment cost and the amortization amount of the net equity acquired.

Note 4: Sunrise Global Solar Energy Co., Ltd. was discontinued after being merged with Sino-American Silicon Products Inc. on August 1, 2014 and with Sino-American Silicon Products Inc., Ilan Branch set-up.

Sino-American Silicon Products Inc. and its subsidiaries
The overview of the investments in Mainland China and the limitations of the investments in Mainland China
January 1 – December 31, 2014

Attachment IX

(1) Information of investments in Mainland China

Unit: NT$ Thousand

Names of investees in Mainland China	Main Business	Paid-in Capital	Investment Method	The cumulative amount of investment remitted from Taiwan as of the period began	Current remitted or recovered amount of investment		The cumulative amount of investment remitted from Taiwan as of the period began	Net income (loss) of the invested company	The shareholding ratio of Sino-American Silicon Products Inc. in the direct or indirect investments	Investment Profit or Loss for Current Period (Note 2)	Ending investment book value	The investment income received as of the current period
					Remitted	Recovered						
Sino-America Silicon Products Inc.	Silicon rods and silicon wafer processing and trade	769,177 (Note 5)	(Note 1)	713,300 (USD21,729)	-	-	713,300 (USD21,729)	17,467	94.92%	16,580	839,981	-

(2) The limitations of the investments 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)	7,920,488 (Note 4)

Note 1: Transfer 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, 2014.

Note 5: It included capitalization from earnings.

Sino-American Silicon Products Inc.
Cash and cash equivalents
December 31, 2014

Unit: NT$ Thousand
(Foreign currency in $ / JPY)

Items	Summary	Amount
Cash	Petty cash and cash on hand	$ 498
Bank deposits	Check deposits	4,578
	Demand deposits	253,089
	Foreign currency deposits (USD: $15,381,065.64; CHF: $40,839.87; JPY: 31,375,237; EUR:251,527.86)	506,095
	Deposit account	696,300
	Subtotal	1,460,062
	Total	**$ 1,460,560**

Note: Foreign currency exchange rates at the balance sheet date are as follows:
USD exchange rate: 31.65
CHF exchange rate: 31.975
JPY exchange rate: 0.2646
EUR exchange rate: 38.47

Sino-American Silicon Products Inc.
Statement of Notes and Accounts Receivable
December 31, 2014

Unit: NT$ Thousand

Customer Name	Amount
SUNEDISON PRODUCTS SINGAPORE PTE. LTD.	$ 234,420
E-TON Solar Co., Ltd.	133,475
AUO	130,520
LONGi	97,518
KYOCERA CORPORATION	74,378
Mosel Vitelic Inc.	68,280
Others (individual amount does not exceed 5%)	421,142
	1,159,733
Less: Allowance for bad debt	(49,358)
	$ 1,110,375

Note: 1. Notes and accounts receivable resulting from business activities.
2. Accounts receivable – related party is not included in the accounts receivable referred to above. Please refer to Note VII to the financial statements for details.

Statement of Inventories

Items	Amount		Remarks
	Costs	Net realizable value	
Finished goods	$ 647,635	568,377	Please refer to Note 4 (7) to the individual financial statements for the reference of net realizable value of inventory, in detail.
Work-in-process goods	188,230	195,442	
Raw materials	611,900	586,341	
Substances	141,171	107,366	
Subtotal	1,588,936	1,457,526	
Less: Allowance for inventory losses	(201,159)		
Total	$ 1,387,777		

Sino-American Silicon Products Inc.
Statement of other current assets
December 31, 2014

Unit: NT$ Thousand

Items		Amount
Income tax refund receivable	$	93,994
Withheld tax		46,600
Deferred debits - unrealized sales losses		16,505
Others (individual amount does not exceed 5%)		18,483
	$	**175,582**

Sino-American Silicon Products Inc.
Statement of investments (Equity method)
January 1 – December 31, 2014

Unit: NT$ Thousand

	Beginning amount		Current increase (decrease)		Current reclassification								Balance - ending			
Invested company name	**Number of shares**	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount**	**Net equity value of the subsidiaries and affiliates under the equity method (Note 3)**	**Investment gains and losses**	**Not adjusted proportionately to the shareholding ratio**	**Exchange difference arising from the conversion of a foreign institution's financial statements**	**Recognized actuarial gains and losses adjustment of Subsidiary**	**Other adjustments (Note 4)**	**Number of shares**	**Amount**	**Shareholding ratio (%)**	**Guarantee or collateral provided**
SSTI	50,295	$ 1,093,024	(1,769)	(53,880)	-	-	-	8,634	-	65,945	-	-	48,526	1,113,723	100.00	None.
Globalwafers Co., Ltd.	313,056	12,949,180	(11,675)	(2,189,202) (Note 1)	-	-	5,970	2,041,578	-	(225,829)	(48,885)	-	301,381	12,532,812	94.92	None.
Crystalwise Technology Inc.	72,166	1,475,653	12,682	318,559	-	-	85,402	(55)	(7,433)	22,576	-	(2,031)	84,848	1,892,671	40.45	None.
Sunrise Global Solar Energy Co., Ltd.	127,660	2,192,603	(127,660)	(2,314,531) (Note 2)	-	-	-	130,451	-	(8,523)	-	-	-	-	-	None.
Aleo Solar	-	-	-	572,132	-	-	-	(49,475)	-	(21,671)	-	1,893	-	502,879	100.00	None.
Sino-American Materials Co., Ltd.	-	-	9,000	90,000	-	-	-	(10,007)	-	-	-	-	9,000	79,993	90.00	None.
Accu Solar Corporation	-	-	810	14,586	6,642	97,607	-	-	-	-	-	-	7,452	112,193	24.70	None.
Total		$ 17,710,460		(3,562,336)	6,642	97,607	91,372	2,121,126	(7,433)	(167,502)	(48,885)	(138)		16,234,271		

Note 1: It includes the disposal of stock for NT$467,394 thousand and cash dividend distributed for NT$1,721,808 thousand.

Note 2: It includes the decrease of NT$2,240,616 thousand due to the merger and cash dividends distributed for NT$73,915 thousand.

Note 3: It includes the remuneration cost of the subsidiary's employee stock options and stock premiums from the cash capital increase of the affiliates.

Note 4: It includes unrealized gross profit of sales, unrealized profit or loss of the affiliates' financial assets and the un-earned remuneration of the employees.

Sino-American Silicon Products Inc.
Statement of the available-for-sale financial assets - noncurrent
January 1 – December 31, 2014

Unit: NT$ Thousand

Invested company name	Balance-Beginning		Increase of the year		Available-for-sale financial assets unrealized gains and losses	Balance - ending		Guarantee or collateral provided
	Number of shares	Amount	Number of shares	Amount		Number of shares	Amount	
Solartech Energy Corp.	26,747	$ 764,956	2,733	54,674	(200,541)	29,480	619,089	None.
Actron Technology Corporation	2,129	235,289	-	-	4,259	2,129	239,548	None.
		$ 1,000,245		54,674	(196,282)		858,637	

Sino-American Silicon Products Inc.
Financial assets carried at cost - non-current statement
January 1 – December 31, 2014

Unit: NT$ Thousand

Invested company name	Beginning amount: Number of shares	Beginning amount: Amount	Increase of the year: Number of shares	Increase of the year: Amount	Decrease of the year: Number of shares	Decrease of the year: Amount	Balance - ending: Number of shares	Balance - ending: Amount	Guarantee or collateral provided	Cumulative amount of impairment loss
SONGLONG ELECTRONICS CO., LTD.	221	$ -	-	-	-	-	221	-	None.	2,214
Giga Epitaxy Technology Corp.	1,100	7,499	-	-	-	-	1,100	7,499	None.	3,501
21-Century Silicon Inc.	1,000	-	-	-	-	-	1,000	-	None.	15,795
Accu Solar Corporation	2,308	26,096	4,334	71,511	6,642	97,607	-	-	None.	-
Powertec Energy Corporation	59,250	698,000	25,645	76,936	-	-	84,895	774,936	None.	-
Sunshine PV Corp.	6,343	63,433	2,145	21,455	2,560(Note)	-	5,928	84,888	None.	-
		$ 795,028		169,902		97,607		867,323		21,510

Note: Arrange capital reduction to cover losses with the resolution reached in the shareholders' meeting in June 2014.

Sino-American Silicon Products Inc.
Statement of property, plant and equipment

Please refer to Note 6 (8) to the individual financial statements for the information of "Property, Plant, and Equipment", in detail.

Statement of pre-payment for materials
December 31, 2014

Unit: NT$ Thousand

Supplier Name	Amount
Supplier B	$ 1,033,467
Supplier C	985,553
Supplier A	384,743
Other suppliers (Individual amount does not exceed 5%)	14,805
Less: Materials payable due in one year	(627,068)
Total	**$ 1,791,500**

Sino-American Silicon Products Inc.
Statement of Accounts payable
December 31, 2014

Unit: NT$ Thousand

Supplier Name	Amount
OCI COMPANY LTD.	$ 204,731
LONGi	87,354
Huechode Technology Co., Ltd.	51,240
Others (individual amount does not exceed 5%)	630,803
Total	$ 974,128

Note: 1. Accounts payable resulting from business activities.
2. Accounts payable – related party is not included in the accounts payable referred to above. Please refer to Note 7 to the financial statements for details.

Statement of short-term loans

Lending bank	Explanation	Balance - ending	Contract duration	Interest rates interval	The unutilized credit amount	Mortgage or guarantee
Chang Hwa Bank	Working capital	$ 250,000	Note 1	1.14%	250,000	None.
Land Bank	Working capital	200,000	Note 1	1.12%	200,000	None.
Taipei Fubon Bank	Working capital	300,000	Note 1	1.14%	150,000	None.
		$ 750,000				

Note 1: The loan period is based on the actual practice and it is usually repaid in one month. The operation turnover is for one year.
Note 2: In addition to those listed above, the Company has a credit line of NT$1,354,800 thousand available for use.

Sino-American Silicon Products Inc.
Statement of other current liabilities
December 31, 2014

Unit: NT$ Thousand

Items	Summary	Amount
Equipment payable		$ 99,723
Lease payable		7,977
Others (individual amount does not exceed 5%)	Utilities and labor service payable	291,537
Total		$ 399,237

Statement of Long-term debt payable

Please refer to Note 7 (11) to the individual financial statements for the information of "Long-term loans" in details.

Sino-American Silicon Products Inc.
Statement of advances from customers
December 31, 2014

Unit: NT$ Thousand

Customer Name		Amount
Solartech Energy Corp.	$	1,015,786
Company B		507,888
Company G		305,269
Company H		281,943
Company F		243,701
Others (individual amount does not exceed 5%)		155,380
		2,509,967
Less: Long-term advances from customers due in one year		(784,432)
Total	$	1,725,535

Operating income statement
January 1 – December 31, 2014

Items	Sales volume		Amount
Sales revenue:			
Solar energy - silicon wafer	106,758 thousand pieces	$	3,400,513
Solar energy - rod	745 thousand kilograms		301,895
Solar energy - battery	21,829 thousand pieces		1,915,637
Sale of goods and raw materials income			3,468,362
			9,086,407
Processing revenue			80,500
Services			8,830
Net operating income		$	9,175,737

Sino-American Silicon Products Inc.
Statement of Operating Cost
January 1 – December 31, 2014

Unit: NT$ Thousand

Items	Amount
Beginning merchandise inventory	$ -
Add: Current purchase	762,009
Acquired through business merger	100
Less: Ending merchandise inventory	106
Cost of goods purchased and sold	762,003
Raw material consumption	
Beginning raw materials	633,611
Add: Current incoming	8,498,411
Acquired through business merger	157,221
Work-in-process goods transferred into processing	1,354,417
Less: Ending raw materials	753,071
Expenses transferred	775,465
Current sale	3,701,572
The current consumption of raw materials	5,413,552
Direct labor	492,261
Manufacturing expenses	1,578,368
Manufacturing cost	7,484,181
Add: Beginning WIP goods	151,112
Acquired through business merger	56,332
Finished goods transferred into reworking	9,668,431
Less: Ending WIP goods	188,230
WIP goods transferred into reworking	1,354,417
Finished goods cost	15,817,409
Add: Beginning finished goods	190,168
Acquired through business merger	243,838
Less: Ending finished goods	647,529
Finished goods transferred into reworking	9,668,431
Expenses transferred	191,460
Cost of finished goods sold	5,743,995
Cost of goods sold	6,505,998
Add: Cost of raw materials sold	3,701,572
Unamortized fixed manufacturing expense	305,034
Appropriation for inventory loss in valuation	1,317
Onerous contract loss recognized	444,256
Less: processing on order	1,063,069
Total operating cost	**$ 9,895,108**

Sino-American Silicon Products Inc.
Statement of operating expense
January 1 – December 31, 2014

Unit: NT$ Thousand

Items	Marketing expense	General and administrative expenses	R&D expense
Salary expenses	$ 11,247	82,135	63,974
Freight charges	6,867	-	-
Depreciation	276	17,038	24,589
Commission expense	3,166	-	-
Other expense	-	14,365	-
Import/export expense	6,627	-	-
Indirect materials	-	-	60,510
Others (summary of individual amount not exceeding 5%)	7,346	42,239	41,370
Management fee income	-	(37,546)	-
Total	$ 35,529	118,231	190,443

Statement of other profit and loss

Please refer to Note 6 (22) to the individual financial statements for the information of "other profit or loss", in detail.

Sino-American Silicon Products Inc.
Statement of finance cost
January 1 – December 31, 2014

Please refer to Note 6 (23) to the individual financial statements for the information of “finance cost”, in detail.

Employee benefits, depreciation, depletion, and amortization expenses summarized by function

Please refer to Note 12 to the individual financial statements for the information of “Employee benefits, depreciation, depletion, and amortization expense”, in detail.