Stock code: 5483

Sino-American Silicon Products Inc.
Individual financial report

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

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

Contents

Independent Auditor's Report

To 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, 2015 and 2014 as well as the related statements of income, changes in retained earnings and cash flows for January 1 to December 31, 2015 and 2014. These Individual financial reports 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 identifiable net assets acquired and the acquisition price. Therefore, our opinions on the adjusted amount of the invested companies in the individual financial reports referred to above were based on the reports of other independent auditors. The Company's investments referred to above amounted to NT$1,487,561 thousand and NT$2,004,864 thousand, representing 5% and 6% of the total assets as of December 31, 2015 and 2014, respectively. The profit and loss from the subsidiaries under the equity method and affiliates amounted to (NT$394,214 thousand) and (NT$55 thousand), representing (59%) and 0% of the net income before taxes in 2015 and 2014, 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 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, 2015 and 2014, and the results of its operations and its cash flows for January 1 to December 31, 2015 and 2014 and are in conformity with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers."

KPMG CPA

CPA:	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 22, 2016

2015 FINANCIAL STATEMENTS

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Financial Position
December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

Assets		December 31, 2015		December 31, 2014	
Current assets:			%		%
Cash and cash equivalents	$	1,279,123	4	1,460,560	5
Notes and trade receivable, net		1,289,888	4	1,110,375	3
Accounts receivable from related parties		1,362,216	4	397,283	1
Inventories, net		1,995,196	6	1,387,777	4
Prepayments for materials		439,566	1	627,068	2
Other current assets		194,142	1	175,846	—
		6,560,131	20	5,158,909	15
Non-current assets:					
Available-for-sale financial assets – non-current		840,130	3	858,637	3
Financial assets carried at cost – non-current		811,802	2	867,323	3
Investments accounted for using equity method		15,159,801	47	16,234,271	53
Property, plant and equipment, net		7,282,061	23	5,999,176	19
Intangible assets		—	—	17,785	—
Deferred income tax assets		263,473		176,288	1
Other financial assets – non-current		41,796	—	66,073	—
Long-term prepayments for materials		1,310,401	4	1,791,500	6
		25,709,464	80	26,010,993	85
Total Assets	$	**32,269,595**	100	**31,169,902**	100

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Financial Position (continued)
December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

Liabilities and Stockholders' Equity		**December 31, 2015**		**December 31, 2014**	
Current liabilities:			%		%
Short-term borrowings	$	1,150,000	3	750,000	3
Notes and accounts payable		1,337,461	4	974,128	3
Payables to related parties		339,609	1	82,500	—
Payroll and bonus payable		220,276	1	332,017	1
Other current liabilities		1,066,070	3	339,237	1
Revenue received in advance for sales		268,439	1	784,432	3
Provision – current		119,519	—	—	—
Current portion of long-term loans payable		65,587	—	666,667	2
		4,447,442	13	3,988,981	13
Non-current liabilities:					
Long-term loans payable		2,545,519	8	3,808,667	12
Liability reserve		427,000	1	427,000	1
Other liabilities – non-current		318,515	1	321,480	1
Revenue received in advance for sales – non-current		1,544,363	5	1,725,353	6
		4,835,397	15	6,282,682	20
Total Liabilities		9,282,839	28	10,271,663	33
Equity:					
Common stock		5,800,312	18	5,800,312	19
Capital surplus		18,614,691	58	16,995,509	55
Retained earnings:					
Legal reserve		259,628	1	220,409	1
Special reserve		513,302	2	160,330	1
Unappropriated earnings (accumulated deficits)		519,512	2	392,191	1
		1,292,442	5	772,930	3
Other equity		(2,550,828)	(8)	(2,670,512)	(10)
Tresury Stock		(169,861)	(1)	—	—
Total Equity		22,986,756	72	20,898,239	67
Total Liabilities and Equity	$	**32,269,595**	100	**31,169,902**	100

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Profit or Loss and Other Comprehensive Income
Years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars, except for earnings per share)

		2015	%	2014	%
Operating revenues:	$	11,915,968	100	9,175,737	100
Cost of goods sold		11,936,762	100	9,895,108	108
Gross loss		(20,794)	—	(719,371)	(8)
Operating expenses:					
Selling		49,275	—	35,529	—
General and administrative		147,319	1	118,231	1
Research and development		211,867	2	190,443	2
Total operating profit		408,461	3	344,203	3
Operating loss		(429,255)	(3)	(1,063,574)	(1)
Non-operating income and (expenses):					
Other income		21,852	—	16,558	—
Other gains and (losses)		58,280	—	161,402	2
Interest expense		(65,172)	(1)	(97,751)	(1)
Share of profit or loss of subsidiaries and associates accounted for using equity method		1,083,387	9	2,121,126	23
Total non-operating income and expenses		1,098,347	8	2,201,335	24
Profit from continuing operations before income tax		669,092	5	1,137,761	13
Income tax expense		134,255	1	9,316	—
Net profit (loss)		**534,837**	4	**1,128,445**	**13**
Other comprehensive income (loss)：					
Components of other comprehensive income that will not be reclassified to profit or loss					
Actuarial loss on defined benefit plans		(1,573)	—	(1,782)	—
Income tax related to components of other conprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations		26,536	—	44,274	—
Unrealized gain (loss) on available-for-sale financial assets		(18,507)	—	(196,282)	(2)
Share of other comprehensive income of subsidiaries and associates accounted for using equity method		98,692	1	(255,702)	(3)
Income tax related to other comprehensive income		(4,511)	—	(4,684)	—
Total other comprehensive income (loss), net of income tax		100,637	1	(414,176)	(5)
Total comprehensive income (loss)	**$**	**635,474**	**5**	**714,269**	**8**
Earnings per share (in dollars)					
Basic earnings (loss) per share	**$**	**0.93**		**2.06**	
Diluted earnings (loss) per share	**$**	**0.92**			

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Changes in Stockholders' Equity
Years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

			Retained Earnings				Other Equity					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Exchange differences on translation	Unrealized gain (loss) on available-for-sale financial assets	other	Total	Treasury stock	Total equity
Balance at January 1, 2014	$ 5,231,191	14,977,502	213,967	102,349	64,423	380,739	(1,489,219)	(802,589)	—	(2,291,808)	—	18,297,624
Net profit for 2014	—	—	—	—	1,128,445	1,128,445	—	—	—	—	—	1,128,445
Other comprehensive profit and loss	—	—	—	—	(50,667)	(50,667)	(172,185)	(191,324)	—	(363,509)	—	(414,176)
Total comprehensive profit and loss	—	—	—	—	1,077,778	1,077,778	(172,185)	(191,324)	—	(363,509)	—	714,269
Appropriation and distribution of retained earnings (Note1)												
Special reserve used to offset company losses	—	—	—	57,981	(57,981)	—	—	—	—	—	—	—
Legal reserve	—	—	6,442	—	(6,442)	—	—	—	—	—	—	—
Issuance of common share for acquisition	568,881	2,280,177	—	—	(685,587)	(685,587)	(8,206)	—	—	(8,206)	—	2,155,265
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees	—	22,696	—	—	—	—	—	—	—	—	—	22,696
Capital surplus cash dividend declared	—	(523,142)	—	—	—	—	—	—	—	—	—	(523,142)
Issuance of stock from exercising employee stock option	240	1,106	—	—	—	—	—	—	—	—	—	1,346
Difference of equity accounted investees	—	83,939	—	—	—	—	—	—	(6,989)	(6,989)	—	76,950
Proceeds from sales of subsidiaries' equity to non-controllig invest	—	153,231	—	—	—	—	—	—	—	—	—	153,231
Balance at December 31, 2014	5,800,312	16,995,509	220,409	160,330	392,191	772,930	(1,669,610)	(993,913)	(6,989)	(2,670,512)	—	20,898,239
Net profit for 2015	—	—	—	—	534,837	534,837	—	—	—	—	—	534,837

See accompanying notes to consolidated financial statements.

Other comprehensive income (loss)	—	—	—	—	(15,325)	(15,325)	209,540	(93,578)	—	115,962	—	100,637
Total comprehensive income (loss)	—	—	—	—	519,512	519,512	209,540	93,578	—	115,962	—	635,474
Appropriation and distribution of retained earnings (Note 2):												
Legal reserve	—	—	39,219	—	(39,219)	—	—	—	—	—	—	—
Special reserve	—	—	—	352,972	(352,972)	—	—	—	—	—	—	—
Treasure stock acquired	—	—	—	—	—	—	—	—	—	—	(169,861)	(169,861)
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees	—	12,303	—	—	—	—	—	—	—	—	—	12,303
Capital surplus cash dividend declared	—	(1,044,058)	—	—	—	—	—	—	—	—	—	(1,044,058)
Subscription of subsidiary capital income	—	873,509	—	—	—	—	—	—	—	—	—	873,509
Difference of equity accounted investees	—	11,403	—	—	—	—	—	—	3,722	3,722	—	15,125
Proceeds from sales of subsidiaries' equity to non-controllig invest	—	1,766,025	—	—	—	—	—	—	—	—	—	1,766,025
Balance at December 31, 2015	**$ 5,800,312**	**18,614,691**	**259,628**	**513,302**	**519,512**	**1,292,442**	**(1,460,070)**	**(1,087,491)**	**(3,267)**	**(2,550,828)**	(169,861)	**22,986,756**

Note 1: There was no directors' and supervisors' remuneration and employee bonuses.

Note 2: Remuneration of NT$11,000,000 for directors and NT$58,372,000 for employees have been deducted from comprehensive profit and loss table.

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Cash Flows
Years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

		2015	2014
Cash flows from operating activities:			
Income (loss) before tax	$	669,092	1,137,761
Adjustments：			
Adjustments for:			
Depreciation		894,326	515,271
Amortization		17,785	1,482
Provision for (reversal of) allowance for doubtful accounts		(114)	466
Interest expenses		65,172	97,751
Interest income		(6,128)	(4,847)
Dividend income		(15,724)	(11,711)
Compensation cost arising from issuance of stock from exercising employee stock options and from capital increase by cash reserved for employees		12,303	22,696
Share of profit or loss of subsidiaries and associates accounted for using equity method		(1,083,387)	(2,121,126)
Loss from disposal and write-off of property, plant and equipment		4,297	(13,532)
Loss on non-financial asset impairment		192,377	444,256
Provision for (reversal of) inventory obsolescence and devaluation loss		32,182	1,317
Expense with no effect on cash flow		4,518	7,516
Total adjustments to reconcile income (loss) before tax		117,607	1,060,461
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets designated as at fair value through profit or loss		—	654
Notes and accounts receivable (including related parties)		(964,657)	251,403
Inventories		(592,150)	(156,553)
Prepayments for materials		534,050	720,568
Other current assets		2,868	119,323
Other financial assets		223	29,146
Total changes in operating assets		(1,019,666)	964,541
Changes in operating liabilities:			
Notes and accounts payable (including related parties)		620,442	(604,214)
Provision		—	(119,519)

Revenue received in advance for sales	(638,920)	(763,317)
Accrued pension liabilities	261	(1,791)
Accrued expenses and other current liabilities	(20,197)	31,072
Total changes in operating liabilities	(38,414)	(1,457,769)
Total changes in operating assets and liabilities	(1,058,080)	(493,228)
Total adjustments	(940,473)	(1,553,698)
Cash inflow (outflow) generated from operations	(271,381)	(415,928)
Interest received	6,063	4,847
Dividend paid	15,724	11,711
Interest paid	(66,600)	(101,446)
Net cash outflows used in operating activities	(316,194)	(500,816)

SINO-AMERICAN SILICON PRODUCTS INC.

Parent-Company-Only Statements of Cash Flows (continued)
Years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

		2015	2014
Cash flows from investing activities:			
Acquisition of loan to related party	$	(179,675)	—
Acquisition of financial assets available for sale		—	(54,674)
Acquisition of financial assets carried at cost		(2,305)	(169,902)
Acquisition of equity-accounted investees		(799,373)	(423,145)
Acquisition of subsidiaries (excluding cash obtained)		—	904,023
Acquisition of property, plant and equipment		(1,887,495)	(206,752)
Disposal of property, plant and equipment		8,723	31,324
Dividends from equity-accounted investees		1,429,442	1,795,723
Increase in restricted certificate of deposit		21,733	12,182
Decrease in refundable deposits		2,544	96,306
Refund from capital reduction of subsidiaries		—	53,880
Net cash used in investing activities		(1,406,406)	2,038,965
Cash flows from financing activities:			
Increase (decrease) in other payables to related parties		—	(98,357)
Increase in short-term borrowings		400,000	(357,171)
Increase in long-term loans payable		1,599,000	800,000
Repayment of long-term loans payable		(3,467,746)	(864,116)
Payments of cash dividends		(1,044,058)	(523,142)
Stock option for employees		—	1,346
Proceeds from sales of subsidiaries' equity to non-controlling interest		4,223,828	620,625
Treasury stock acquired		(169,861)	—
Net cash flows from financing activities		1,541,163	(420,815)
Net decrease in cash and cash equivalents		(181,163)	1,117,334
Cash and cash equivalents at beginning of year		1,460,560	343,226
Cash and cash equivalents at end of year	$	**1,279,123**	**1,460,560**
Fair value of assets and (liabilities) of associates acquired:			
Cash and cash equivalents	$		904,023
Financial assets designated as at fair value through profit or loss			140,647
Notes and trade receivable, net			680,808
Inventory			341,412
Other current assets			55,964
Other current financial assets			29,386
Prepayment for materials			545,241

Equity-method investments		572,132
Property, plant and equipment		2,375,624
Intangible asset		19,267
Other assets－non-current		27,532
Other assets－non-current financial assets		131,451
Financial liabilities designated as at fair value through profit or loss		(139,993)
Notes and trade payable		(265,458)
Other current liabilities		(294,264)
Provision - non-current		(427,000)
Other liabilities－non-current		(300,891)
Exchange differences on translation of foreign financial Statements		8,206
Fair value of subsidiary's equity at acquisition date		4,404,087
Less: Fair value of associates before acquisition date		(2,240,616)
Issuance of new shares, consolidation		(2,163,471)
Cash proceeds from acquisition of associates		(904,023)
Acquisition of associates	$	**(904,023)**

Sino-American Silicon Products Inc.
Notes to Individual financial report
December 31, 2015 and 2014
(Expressed in NT$ Thousand unless otherwise stated)

I. Company background

Sino-American Silicon Products Inc. (hereinafter referred to as “the Company”) was incorporated in accordance with the Company Act of the Republic of China in January 1981; also, the Chunan Branch was established in June 2005 at No. 8. Industrial East Road 2, Hsinchu Science Park, Taiwan, R.O.C. for the R&D, design, production and sale of semi-conductor silicon materials and components, rheostats, optical and communications wafer materials; and also the related technology, management consulting business, and technical services of the photo-voltaic power system generation and installation.

The Company’s stocks have been traded publicly at the Taipei Exchange (TPEx) since March 2001.

For the purpose of reorganization and professional division of work and enhancing competitiveness and business performance, a resolution was reached at the shareholders’ meeting on June 17, 2011 to have the semiconductor business and sapphire business (including the related assets, liabilities and business operations), by the way of incorporation and partition, transferred to the Company’s 100% owned subsidiaries, Globalwafers Co., Ltd. (hereinafter referred to as “Globalwafers”) and Sino Sapphire CO., LTD (hereinafter referred to as “Sino Sapphire”) with the base date of partition scheduled on October 1, 2011. The Company based on the net book value of the semi-conductor business shall pay a price of NT$38.50 per share for acquiring 180,000 thousand shares at NT$10 par value of Globalwafers; also, based on the sapphire business net assets shall pay a price of NT$40 per share for acquiring 40,000 thousand shares at NT$10 par value of Sino Sapphire.

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

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

II. Financial statements approval date and procedure

The individual financial reports were approved for release by the Board of Directors on March 22, 2016.

III. Application of newly published and amended standards and interpretations

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

The company has adopted the International Financial Reporting Standards (excluding IFRS 9 “Financial Instruments) version 2013 since 2015, as approved by the Financial Supervisory Commission to prepare financial statements. The new releases, modifications and amendments of the Standards and Interpretations by the International Accounting Standards Board (IASB) are summarized as follows:

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

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

1. IFRS 10 "Consolidated Financial Statements"

   IFRS 10 replaced the original IAS 27 "Consolidated and Separate Financial Statements" in circumstances where the consolidated financial statements apply, and renamed IAS 27 as "Separate Financial Statements", and superseded SIC-12 Consolidation – Special Purpose Entities to provide control with new definition. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

   The Company has complied with the above requirement and changed its accounting policy in order to determine whether to consolidate the investee according to its control power over the investee.

2. IFRS 12 "Disclosure of Interests in Other Entities"

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

Company has complied with this Standard to increase the disclosure of subsidiaries and affiliated companies.

3. IFRS No. 13 “Fair Value Measurement”

   This Standard changes the definition of fair value measurement, provides a framework for measuring fair value and requires disclosures about fair value measurement. The Company has complied with the requirements to increase relevant disclosure of new fair value measurement (please refer to Note 6 (26)), and, pursuant to the requirement of transition period of this Standard, defer the adoption of this new Standard on fair value measurement. However the Company is not required to provide information on these new disclosures in comparable periods. Even though the Company has deferred the adoption of the new measurement since 2015, there is no significant impact on its assets or liabilities.

4. IFRS 1 “First-time Adoption of International Financial Reporting Standards”

   The standard amends the presentation of other comprehensive income and requires entities to separate items presented in other comprehensive income into two categories: “items that will not be reclassified subsequently to profit or loss”; and “items that will be reclassified subsequently to profit or loss”. The amendment also requires that the income before-tax amounts included in other comprehensive income be disclosed separately in accordance with the aforesaid two categories. The Company has changed the presentation of comprehensive income statements in compliance of this Standard.

5. Amendments to IAS 19, “Employee benefits”

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

   The Company has complied with the above requirements to change relevant accounting policy regarding the measurement and presentation of net defined benefit plans, pension costs and actuarial gains.

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

IFRSs and SIC Interpretations issued by International Accounting Standards Board ("IASB") but not yet endorsed by the FSC as of the reporting date are summarized in the following table:

Newly released / modified / amended standards and interpretations	The effective date announced by the IASB
IFRS No. 9, "Financial instruments"	2018.1.1
Amendments to IFRS No. 10 and IAS No. 28 "Assets Sale or Purchase between Investor and the Affiliates or Joint Ventures."	to be determined by IASB
IFRS 10, IFRS 12, and IAS 28 Amendment "Investment entity: Application of the exceptions for consolidated financial statements"	2016.1.1
IFRS 11 Amendment "Acquisition of joint operation equity"	2016.1.1
IFRSs No. 14, "Regulatory Deferral Accounts"	2016.1.1
IFRSs No. 15, "Revenue from customer contracts"	2018.1.1
IFRS 16 Leases	2017.1.1
Amendments to IAS 1'‘Disclosure Initiative"	2016.1.1
Amendments to IAS 7'‘Disclosure Initiative"	2017.1.1
Amendments to IAS 12: "Deferred Taxes: Recovery of Underlying Assets"	2017.1.1
IAS 16 and IAS 38 Amendment "Introduction of acceptable depreciation and amortization methods"	2016.1.1
IAS 16 and IAS 41 Amendment "Production Plants"	2016.1.1
Amendment to IAS 19, "Defined benefit plan: employee contributions"	2014.7.1
IAS 27 Amendment "Equity Method of individual financial statements"	2016.1.1
Amendment to IAS 36, "Disclosure of the recoverable amount of non-financial assets"	2014.1.1
IAS 39 Amendment "Replacement of derivatives contracts and continuity of hedge accounting"	2014.1.1
Annual improvements in the periods of 2010-2012 and 2011-2013	2014.7.1
Annual improvements of IFRS in 2012-2014	2016.1.1
IFRIC 21, ‘Levies’	2014.1.1

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

IV. Accounting policy summary

The significant accounting policies adopted in the individual financial statements are summarized as follows. Except of Note 3, the following accounting policies are applicable to the individual financial reports throughout the reporting period.

(I) Compliance statement

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

(II) Basis of preparation

1. Measurement basis

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

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

(2) Defined benefit liabilities are measured in accordance with the net amount of the pension fund assets minus the present value of the defined benefit obligations and the impact of the maximum amount referred to in Note 4 (17).

2. Functional currency and presentation currency

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

(III) Foreign currency

1. Foreign currency transactions

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

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

Except for when the exchange profit and loss of the available-for-sale financial assets is recognized in other profits or losses, the exchange profit and loss of the remaining assets is recognized in the profits or losses.

2. Foreign operation institutions

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

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

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

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

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

1. Liabilities that are expected to be settled within the regular operating cycle of the Company;
2. Assets that are held for trading purposes;
3. Expected to be settled within twelve months after the balance sheet date;
4. The liabilities for which the Company cannot unconditionally have the settlement deadline postponed for at least twelve months after the balance sheet date; No impact will be on classification of liabilities with terms determined by the counterparties that lead to settlement of the liabilities by issuing of equity instruments.

(V) Cash and cash equivalent

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

(VI) Financial instrument

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

1. Financial assets

The Company’s financial assets are classified as: accounts receivable and available-for-sale financial assets

(1) Available-for-sale financial assets

Such financial assets are designated as available-for-sale or specific category non-derivative financial assets. The financial assets are measured at fair value plus attributed transaction cost at initial recognition; the financial assets are subsequently measured at fair value. Except for impairment losses and dividend income recognized as gains or losses, the change in carrying amount is recognized in other comprehensive income and accumulated in the available-for-sale financial assets unrealized gain or loss under the shareholder's equity. When derecognizing, the cumulative amount of gain or loss under the shareholder's equity is reclassified under gains or losses; it is also reported in the "non-operating income and expense" account. The regular trade of financial assets is handled in accordance with the accounting treatment at the trading date.

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

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

(2) Accounts receivables

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

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

(3) Impairment of financial assets

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

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

If the accounts receivable assessed individually is without any identified impairment, it should be jointly assessed for impairment.

Objective evidence of impairment for a receivable portfolio could include the Company's experience in collection, the increase in delayed payments to the receivable portfolio exceeding the average credit period and the national or regional economic conditions and changes related to receivable arrears.

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

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

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

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

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

(4) De-recognition of financial assets

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

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

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

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equities

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

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

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

(2) Other financial liabilities

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

(3) Derecognition of financial liabilities

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

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

(4) Financial assets and liabilities offsetting

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

(VII) Inventory

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

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

(VIII) Investment in the affiliated companies

Affiliated companies refer to companies over which the Company has significant influence but without control or jointly control over their financial and operating policies.

The Company has accounted for equities in affiliated companies under the equity method. Under the equity method, investment is initially recognized at cost. Investment cost includes transaction cost. The carrying amount of investment in the affiliated companies includes the goodwill recognized at the initial investment and net of any accumulated impairment losses.

The individual financial report covers the period from the date the significant influence obtained to the date the significant influence ceased, after completing the adjustments consistent with the Company's accounting policy; recognize the gains or losses and the other comprehensive income of the investment in the affiliated companies proportionately to the equity ratio. When the affiliated companies have equity changes not related to gains or losses and other comprehensive income, as well as not impacting the Company shareholding in the affiliated companies, the Company shall recognize the equity changes attributed as paid in capital in proportion to the equity ratio of its investment in the affiliated companies.

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

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

In circumstance that the affiliated company issues new shares and the Company does not subscribe proportionately to its equity shares in the affiliated company, and that leads to changes of shareholdings and the increase/decrease of net equity of the investment, such increases or deceases shall be adjusted to the paid in capital under the equity method; if paid in capital is insufficient to cover such adjustment, the remaining balance shall be debited to the retained earnings. However if the Company does not subscribe proportionately to its equity shares in the affiliated company and that leads to the decrease of net equity of such investment, any amount associated with this affiliated company recognized previously as comprehensive income shall be reclassified proportionately to the decrease, and accounted with on the basis that the affiliated company is required to adopt and comply with the demands to dispose relevant assets or liabilities directly.

(IX) Investment in subsidiaries

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

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

(X) Property, plant and equipment

1. Recognition and measurement

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

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

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

2. Subsequent cost

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

3. Depreciation

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

No depreciation on land.

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

(1) Real estate and building: 2~50 years
(2) Machinery equipment: 2~25 years
(3) Other equipment: 2~25 years
(4) The major parts of housing and construction include plant building, electrical power engineering and wastewater treatment systems, whose depreciation are appropriated in accordance with the useful life of 25~50 years, 25 years and 4~23 years, respectively.

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

(XI) Lease

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance lease are initially recognized as assets of the Company at the fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Subsequently they are treated in a way pursuant to accounting policy relating to these assets.

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

All other leases are classified as operating leases. The assets under such leases are not recognized in the Company's balance sheet.

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

(XII) Intangible Assets

1. Research and Development

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

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

(1) Technical feasibility of the intangible asset is completed and the intangible asset is ready for use or sale.
(2) The intention is to have the intangible asset completed for use or sale.
(3) The Company is capable of using or selling the intangible asset.
(4) The intangible asset is likely to generate future economic benefits.

(5) The Company has sufficient technical, financial and other resources to complete this development and to use or sell the intangible asset.
(6) The expenditure attributable to the intangible asset development can be reliably measured.

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

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

4. Amortization
The amortizable amount is the asset cost, net of residual value.
Except for goodwill, intangible assets from the state available for use is amortized in accordance with the straight-line method over the estimated useful life of 2~5 years; also, the amortization amount is recognized in the gains or losses.
Review the residual value, amortization period and amortization method for intangible assets at the end of the fiscal year and with the changes, if any, treated as a change in accounting estimates.

(XIII) Impairment of non-financial assets

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

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

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

For the purposes of impairment testing, goodwill acquired through business mergers shall be amortized to the Company’s cash-generating units (or cash generating group) that are expecting to be benefited from the synergy of the merger. If the recoverable amount of the cash-generating unit is less than its book value, the impairment loss is applied to offset the carrying amount of the goodwill amortized to the cash-generating unit and then to the book value of the assets within the unit proportionately. The goodwill impairment loss recognized cannot be reversed in the subsequent period.

(XIV) Provision

The recognition of provision is due to the present obligations of the Company resulting from a past event that may require the outflow of economic resources in the future to settle the obligation and the amount of the obligation can be estimated reliably. Provision is discounted at the pre-tax discount rate that reflects the monetary time value and debt specific risk assessed by the market. The amortization of the discount is recognized as an interest expense.

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

(XV) Treasure Stock

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

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

(XVI) Revenue Recognition

1. Product Sales

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

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

2. Labor Services

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

3. Government Grants

Government grant obtained is recognized in each period in pursuant to the costs expected to incur in proportion to total costs in the “non-operating income and expense” account.

(XVII) Employee Benefits

1. Defined Contribution Plan

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

2. Defined Benefit Plan

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

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

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

Remeasurements of the net defined benefit liability or asset, comprising: (1) actuarial gains and losses; (2) return on plan assets, but not including net interest on the net defined benefit liability or asset; and (3) changes in the effect of the asset ceiling, but not including the net interest on the net defined benefit liability or asset,

The remeasured net defined benefit liabilities are recognized in other comprehensive income. The Company had chosen to have amounts recognized in other comprehensive income to be transferred to the retained earnings.

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

3. Short-term employee benefit

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

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

(XVIII) Share-based payment transactions

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

(XIX) Income Tax

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

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

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

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

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

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

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

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

(XX) Merger

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

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

Of the non-controlling interests in the acquiree, for present ownership interests that entitle holders to a proportionate share of the entity’s net assets in the event of a liquidation, the Company have them measured on a transaction by transaction basis, either at their fair values on the acquisition date or the value of the present ownership instrument’s proportionate share of the acquiree’s net identifiable assets recognized. Other components of non-controlling interests must be measured at acquisition date fair values or in accordance with other applicable IFRSs.

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

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

The consideration transferred is measured at fair value of the acquisition date. After the acquisition date, if there is any change in the fair value of the consideration within the measurement period, the acquisition costs should be retroactively adjusted and the goodwill also adjusted accordingly. The adjustment made within the measurement period is informed by existing facts and circumstances obtained by the Company after the acquisition date. The measurement period is less than a year if counting from the acquisition date. For adjustment of change in fair value of the consideration not within the measurement period, the accounting treatment is subject to the classification of the consideration. No remeasurement should be applied to considerations classified as equity, and the subsequent settlement should be adjusted in the equity. For contingent considerations classified as assets or liabilities, the change of fair value is either recognized in gains or losses or other comprehensive income.

(XXI) Earnings per share

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

(XXII) Segment Information

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

(XXIII) Reason and effect for accounting changes

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

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

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

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

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

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

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

(I) Note 6 (VIII) Impairments assessment of property, plant, and equipment

(II) Note 6 (XIII) Provision

The Company's accounting policies and disclosure has adopted the fair value to measure its financial, non-financial assets and liabilities. The Company's financial and accounting departments are responsible for the independent verification of fair value with independent information source on the valuation result to match the market status, as well as to ensure that the sources are independent, reliable, and consistent with other resources and represent executable prices. The Company also regularly calibrates the valuation model and conducts retroactive test updating input values desired by the valuation model and making necessary adjustments to fair value to ensure the results of the valuation are reasonable.

While measuring its assets and liabilities, the Company uses the observable market input values as much as possible. The definition of each fair value category is pursuant to the input values used by valuation techniques summarized as follows:

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

In case there is movement between fair value hierarchy, the consolidated companies should recognize such movement at the reporting date. For relevent information regarding assumptions of fair value measurement adopted please see note 6(26) Financial instruments as follows.

VI. Important accounting items

(I) Cash and cash equivalents

	2015.12.31	2014.12.31
Cash	$ 522	498
Bank deposits	1,278,601	763,762
Deposit account	-	696,300
Cash and cash equivalents in the Statement of Cash Flow	$ 1,279,123	1,460,560

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

(II) Notes receivable and accounts receivable - net

	2015.12.31	2014.12.31
Notes receivable	$ 56,352	5,735
Accounts receivable	1,282,780	1,153,998
Less: Allowance for bad debt	(49,244)	(49,358)
	$ 1,289,888	1,110,375

Changes in allowance for bad debt of accounts receivable on 2015 and 2014 are as follows:

	2015.12.31	2014.12.31
Balance as of January 1	$ 49,358	4
Assumed by the merger	-	48,888
Impairment loss recognized (reversed)	(114)	466
Balance as of December 31	$ 49,244	49,358
Individual assessment of impairments	$ 48,888	48,888
Collective assessment of impairments	356	470
	$ 49,244	49,358

The aging analysis of the Company's overdue receivable (including related parties) on the reporting date is as follows:

	2015.12.31		2014.12.31	
	Total amount	Impairment	Total amount	Impairment
Overdue 31-60 days	$ 2,393	356	407	61
Overdue 61-90 days	-	-	2,722	409
Overdue for over 1 year	48,888	48,888	48,888	48,888
	$ 51,281	49,244	52,017	49,358

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

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

(III) Inventories

	2015.12.31	2014.12.31
Finished goods	$ 2,940	-
Finished goods	941,911	527,404
Work-in-process goods	133,174	170,908
Raw materials	784,623	582,629
Supplies	132,548	106,836
	$ 1,995,196	**1,387,777**

Component of operating cost are as follows:

	2015	2014
Cost of goods sold	$ 11,557,286	9,144,501
Appropriation for inventory loss in valuation	32,182	1,317
Unamortized fixed manufacturing expense	169,755	305,034
Loss on purchase agreement	177,539	444,256
	$ 11,936,762	**9,895,108**

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

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

	2015.12.31	2014.12.31
Stock of listed company - Solartech	$ 598,453	619,089
OTC Stocks – Actron Technology Corporation	241,677	239,548
	$ 840,130	**858,637**

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

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

Securities price on the reporting date	**2015**	**2014**
Up 10%	**$ 84,013**	**85,864**
Down 10%	**$ (84,013)**	**(85,864)**

(V) Financial valued at the cost - noncurrent

	2015.12.31	2014.12.31
Equity investment	$ 891,138	888,833
The cumulative amount of impairment loss recognized	(79,336)	(21,510)
	$ 811,802	867,323

Cumulative impairments changes are as follows:

	2015	2014
Cumulative impairments - beginning	$ 21,510	21,510
Provided this period	57,826	-
Cumulative impairments - ending	$ 79,336	21,510

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

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

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

(VI) Investment under the equity method

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

	2015.12.31	2014.12.31
Subsidiary	$ 13,552,934	14,229,407
Affiliated companies	1,606,867	2,004,864
	$ 15,159,801	16,234,271

1. Subsidiary

Please refer to the 2015 consolidated financial statements.

2. Affiliated companies

Names of affiliated companies	Relationship with the Company	Main location/ country registered in	Percentage of equity ownership and voting rights	
			2015.12.31	2014.12.31
Crystalwise Technology Inc (referred as Crystalwise)	Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material.	Taiwan	40.38%	40.45%
Accu Solar Corporation	Solar cell module manufacturing	Taiwan	24.70%	24.70%

1. The fair values of affiliated companies that are significant to the Company and listed in the ESM are as follows:

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

Company, with adjustments made to include amounts reported by the affiliated companies in their individual financial reports prepared in a way pursuant to IFRSs so as to reflect adjustment on the fair value when acquiring shares of the affiliated companies and the adjustment of difference in accounting policy.

Financial Summary of Crystalwise

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

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

		2015	2014
The Company's shares of net assets of the affiliated company at beginning of period	$	1,892,671	1,475,653
New investment in this period and changes of net equity for affiliated companies under the equity method		5,521	389,539
Total revenues attributed to the Company this period		(394,214)	(55)
Total Comprehensive Income attributed to the Company this period		(6,235)	27,534
Dividends received from affiliated companies in this period		(10,182)	-
The Company's shares of net assets of the affiliated companies at end of period	$	1,487,561	1,892,671

(2) For affiliated companies under equity method that are not material to the Company, the financial information is summarized as follows. Such financial information represents the amount contained in the Company's individual financial reports:

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

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

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

(VII) Changes of equities in the subsidiaries

1. Acquisition of subsidiaries

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

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

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

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

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

The Company has disposed 1%, 14% and 1% shares of Globalwafers Co., Ltd in January, September and October for NT$271,505 thousand, NT$3,786,771 thousand and NT$165,552 thousand respectively. The Company had 1.68% and 2% equity in Globalwafers Co., Ltd. disposed of on June 30, and October 22, 2014 for an amount of NT$239,625 thousand and NT$381,000 thousand, respectively.

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

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

3. The Company did not subscribe in proportion to the shares issued by the capital increase of the subsidiaries. However, this did not result in its losing of control.

   The subsidiary of the Company Globalwafers Co., Ltd. had its capital increased in 2015, and all shares issued were subscribed by the non-controlling interests for NT$3,291,676 thousand. The Company did not subscribed the shares in proportionate to its shareholdings. The change of the Company's equity investment in Globalwafers Co., Ltd. has the following impact on the equity interests attributed to the parent company:

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

(VIII) Property, plant and equipment

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

	Land	**Building**	**Machinery equipment**	**Other equipment**	**Construction in progress and quarantined equipment**	**Total**
Cost:						
Balance – 1/1/2015	$ 2,380	3,025,269	8,445,555	1,519,989	265,941	13,259,134
Additions	-	16,733	162,190	40,697	1,967,115	2,186,735
Disposal	-	(111,753)	(662,112)	(146,190)	-	(920,055)
Reclass	-	1,652	506,889	17,021	(535,408)	(9,846)
Balance – 12/31/2015	**$ 2,380**	**2,931,901**	**8,452,522**	**1,431,517**	**1,697,648**	**14,515,968**
Balance – 1/1/2014	$ -	2,523,933	5,810,231	943,639	42,533	9,320,336
Acquired through business merger	2,380	479,709	2,576,700	568,666	206,128	3,833,583
Additions	-	21,627	211,179	24,168	38,888	295,862
Disposal	-	-	(152,555)	(16,484)	(21,608)	(190,647)
Balance – 12/31/2014	**$ 2,380**	**3,025,269**	**8,445,555**	**1,519,989**	**265,941**	**13,259,134**
Depreciation and impairment loss:						
Balance – 1/1/2015	$ -	989,528	5,806,359	464,071	-	7,259,958
Current depreciation	-	175,798	621,861	96,667	-	894,326
Disposal	-	(111,753)	(652,871)	(145,907)	-	(910,531)
Reclassification	-	(603)	(2,921)	(6,322)	-	(9,846)
Balance – 12/31/2015	**$ -**	**1,052,970**	**5,772,428**	**408,509**	**-**	**7,233,907**
Balance – 1/1/2014	$ -	664,499	4,473,214	300,262	-	5,437,975
Assumed through business merger	-	158,738	1,206,733	92,488	-	1,457,959
Current depreciation	-	166,291	261,355	87,625	-	515,271

	Land	Building	Machinery equipment	Other equipment	Construction in progress and quarantined equipment	Total
Disposal	-	-	(134,943)	(16,304)	-	(151,247)
Balance – 12/31/2014	$ -	989,528	5,806,359	464,071	-	7,259,958
Carrying amount:						
December 31, 2015	$ 2,380	1,878,931	2,680,094	1,023,008	1,697,648	7,282,061
January 1, 2014	$ -	1,859,434	1,337,017	643,377	42,533	3,882,361
December 31, 2014	$ 2,380	2,035,741	2,639,196	1,055,918	265,941	5,999,176

2. Guarantees

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

(IX) Intangible assets

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

	2015	2014
Balance as of January 1	$ 17,785	-
Acquired through business merger	-	19,267
Current amortization	(17,785)	(1,482)
Balance as of December 31	$ -	17,785

The amortization expense of intangible assets was reported in the operating cost of the statement of comprehensive income for the amount of NT$17,785 thousand and NT$1,482 thousand in 2015 and 2014 respectively.

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

(X) Short-term loans

	2015.12.31	2014.12.31
Unsecured bank loans	$ 1,150,000	750,000
The unutilized credit amount	$ 1,382,720	1,954,800
Loan interest rate interval at end of period	1.13%~1.15%	1.12%~1.14%

(XI) Long-term loan

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

2015.12.31

	Currency	Interest rate interval at end of period	Contract period	Amount
Syndicated loan granted by the Taiwan Cooperative Bank	NTD	1.68%	102.05.09~107.05.09	$ 662,106
Taiwan Cooperative Bank	NTD	1.50%	104.07.21~107.07.21	300,000
CITIC Bank	NTD	1.45%	104.10.31~106.10.31	350,000
Bank of Taiwan	NTD	1.35%	104.09.23~107.09.23	300,000
JihSun Bank	NTD	1.45%	104.10.15~106.10.15	199,000
Taipei Fubon Bank	NTD	1.43%	104.12.14~106.12.14	100,000
EnTie Bank	NTD	1.35%	104.06.11~106.06.11	300,000
KGI Bank	NTD	1.37%	104.02.17~106.02.17	400,000
Total				**$ 2,611,106**
Current				$ 65,587
Non-current				2,545,519
Total				**$ 2,611,106**
The unutilized credit amount				**$ 1,201,000**

2014.12.31

	Currency	Interest rate interval at end of period	Contract period	Amount
Syndicated loan granted by the Taiwan Cooperative Bank	NTD	1.68%	102.05.09~107.05.09	$ 2,925,334
Taiwan Cooperative Bank	NTD	1.50%	102.06.28~105.06.28	400,000
CITIC Bank	NTD	1.55%	103.10.31~105.10.31	350,000
Mega Bank	NTD	1.50%	103.07.06~105.07.05	300,000
China Development Bank	NTD	1.40%	103.02.25~105.02.25	200,000
Taipei Fubon Bank	NTD	1.51%	103.12.16~105.12.16	300,000
Total				**$ 4,475,334**
Current				$ 666,667
Non-current				3,808,667
Total				**$ 4,475,334**
The unutilized credit amount				**$ 700,000**

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

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

According to the provisions of the contract referred to above, if the actual credit amount used by the Company in the expected implementation date is less than the amount expected, the Company is to have the commitment fee for the outstanding credit line calculated and paid in accordance with 0.1%~0.2% of the annual fee. As of December 31, 2015, the Company had such credit line utilized in accordance with the contractual schedule without the need to pay for the commitment fee.

The Company's 2015 consolidated financial report is in compliance with the financial ratio limits.

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

(XII) Finance lease liability

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

	2015.12.31		
	Future minimum lease payment	**Interest**	**The present value of the minimum lease payment**
Within 1 year	$ 19,492	11,197	8,295
1~5 years	77,968	41,355	36,613
Over 5 years	301,234	57,413	243,821
	$ 398,694	**109,965**	**288,729**

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

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

(XIII) Provision

Changes in the Company's provisions are as follows:

		Onerous contract
Balance – 1/1/2015 (i.e. beginning balance)	$	427,000
Balance – 1/1/2014	$	119,519
Provision for merger		427,000
Current provision reversed		(119,519)
Balance – 12/31/2014	$	427,000

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

(XIV) Operating lease

Lease of lessee

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

		2015.12.31	2014.12.31
Within 1 year	$	31,320	8,436
1~5 years		121,795	31,148
Over 5 years		142,359	48,050
	$	295,474	87,634

The operating lease expense reported in gain or loss was NT$23,002 thousand and NT$10,783 thousand in 2015 and 2014, respectively.

The company leased the plant from Globalwafers Co., Ltd. The lease term is from October 1, 2011 to December 31, 2016 for an annual rent of NT$816 thousand.

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

The Company leases the land and the building from its related party for the expansion of production capacity and plans. The lease term commences in June 2015 and expires in July 2025, running for a total of ten years. Pursuant to the lease term, the rent is reviewed every two years. The rent payment is around NT$1,890 thousand per month.

(XV) Employee benefits

1. Defined benefit plan

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

		2015.12.31	2014.12.31
The total present value of defined benefit obligations	$	(45,676)	(42,939)
The fair value of plan assets		11,081	10,149
The net defined benefit liabilities	$	(34,595)	(32,790)

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

(1) Plan assets composition

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

The Company's pension reserve account at the Bank of Taiwan amounted to NT$11,081 thousand on December 31, 2015. The Labor Pension Fund asset implementation information includes fund returns rate and fund asset allocation. Please refer to the information published on the website of the Ministry of the Bureau of Labor Funds, Ministry of Labor.

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

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

		2015	2014
Defined benefit obligations – 1/1	$	42,939	40,073
Current service cost and interest		1,066	1,060
Remeasurement of net defined liabilities			
- The expected return of plan assets (excluding interest of current period)		(814)	1,250

- Actuarial gains and losses arising from changes of demographic assumptions	1,447	32
- Actuarial gains and losses arising from changes of financial assumptions	1,038	524
Defined benefit obligations – 12/31	**$ 45,676**	**42,939**

(3) Changes in the fair value of plan assets

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

	2015	2014
Fair value of the plan assets on January 1	$ 10,149	9,205
Remeasurement of net defined liabilities		
- The expected return of plan assets (excluding interest of current period)	98	24
Interest income	171	192
The Company's amount of appropriation	663	728
Fair value of the plan assets on December 31	**$ 11,081**	**10,149**

(4) Change of limit on a defined benefit assets

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

(5) The expenses recognized in the profit or loss

The Company's expenses recognized in the profit or loss in 2015 and 2014 are as follows:

	2015	2014
Current service cost	$ 368	359
Net interests of net defined benefit liabilities	527	509
	$ 895	**868**
Operating Costs	$ 520	521
Marketing expense	69	58
General and administrative expenses	203	161
R&D expense	103	128
	$ 895	**868**

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

In 2014 and 2013, remeasurement of net defined benefit liabilities recognized by the Company as other comprehensive income is as follows:

		2015	2014
Accumulated balance – 1/1	$	(23,979)	(22,197)
Recognized currently		(1,573)	(1,782)
Accumulated balance – 12/31	**$**	**(25,552)**	**(23,979)**

(7) Actuarial assumptions

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

	2015.12.31	2014.12.31
Discount rate	1.375%	1.625%
Future salary increases	2.000%	2.000%

Except as prescribed by the Labor Standard Act to provide pension funds monthly, the Company also complies with Article 56-2 of the same Act to assess the balance in the designated labor pension reserve funds account to determine whether it is adequate to pay pensions calculated according to the preceding Article for workers retiring in the same year. As if not, the Company is required to make up the difference in one appropriation before the end of March the following year. The amount estimated to be appropriated for payments of the defined benefit plan within a year after the 2015 reporting date is NT$29,426 thousand.

The weighted average duration of the defined benefit plan is 9.9 years.

(8) Sensitivity analysis

To calculate the present value of defined benefit obligation, the Company must use its discretion and assessment to determine relevant actuarial assumptions on the balance sheet date including the discount rate and future changes of salary. Any change in the actuarial assumptions is likely to materially affect the amount of the Company's defined benefit obligations.

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

		The impact to the defined benefit obligations	
		Increase 0.25%	Decrease 0.25%
Discount rate	$	(1,104)	1,109
Future salary increases		1,144	(1,076)

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

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

2. Defined contribution plan

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

The Company's pension expense under the defined contribution plan was NT$35,471 thousand and NT$24,356 thousand in 2015 and 2014, respectively; also, the amount had been appropriated to the Bureau of Labor Insurance, Ministry of Labor.

(XVI) Income tax

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

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

In 2015 the Company sold in batches its stock investment in Globalwafers Co., Ltd. and no longer has shareholding more than 90% of the shares issued by Globalwafers Co., Ltd. The change of equity thus disqualifies the Company to file tax return together with Globalwafers Co., Ltd. Starting 2015, the Company and Globalwafers Co., Ltd. should report tax returns respectively.

1. Income tax expenses

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

		2015	2014
Deferred income tax expense (profit)			
Occurring during the year	$	120,000	(89,024)
Adjustment of the income tax-current of prior period		(5,948)	(235)
		114,052	(89,259)
Deferred income tax expenses			
Temporary differences occurring and reversed		20,203	64,287
Changes in the unrecognized deductible temporary differences		-	34,288
		20,203	98,575
Income tax expenses	**$**	**134,255**	**9,316**

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

		2015	2014
Foreign exchange differences from foreign operation	**$**	**(4,511)**	**(4,684)**

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

		2015	2014
Net income before tax	$	669,092	1,137,761
The income tax is calculated in accordance with the domestic income tax rate where the Company is located.		113,746	193,419
Permanent differences adjustment		(143,547)	(402,636)
The underestimation and overestimation of the prior period and unrecognized temporary difference		44,056	218,533
Income Basic Tax		120,000	-
Income tax expenses	**$**	**134,255**	**9,316**

2. Deferred income tax assets and liabilities

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

	2015.12.31	2014.12.31
Deductible temporary differences	$ 357,317	315,873
Investment tax credits	445,857	445,857
Loss carryforwards	193,370	291,821
	$ 996,544	1,053,551

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

As of December 31, 2015, the deadline for the deduction of the Company's tax losses arising from the items that had not been recognized as deferred tax assets are as follows:

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

(2) Recognized deferred income tax assets and liabilities

Deferred income tax assets and liabilities are listed as follows:

	2014.1.1	Recognized in the income statement	Recognized in other comprehensive income statement	Acquired through business merger	2014.12.31	Recognized in the income statement	Recognized in other comprehensive income statement	2015.12.31
Allowance for inventory loss in valuation	$ 14,240	3,184	-	16,773	34,197	5,471	-	39,668
Loss deduction	183,792	(103,793)	-	-	79,999	(10,803)	-	69,196
Other	54,875	2,034	(4,684)	9,807	62,032	(14,871)	(4,511)	42,650
	$ 252,907	(98,575)	(4,684)	26,580	176,228	(20,203)	(4,511)	151,514

3. Audited and approved income tax return filed

The Company's income tax returns filed have been audited and approved by the tax authorities up to 2013.

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

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

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

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

(XVII) Capital and other equity

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

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

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

1. Issuance of common stock

The Company participated in the global depositary receipts for NT$610,000 thousand with cash capital increase and with 61,000 thousand shares issued, which was listed at the Luxembourg Stock Exchange on September 9, 2010 with a total of 61,000 thousand units of GDR issued at an issuance price of US$2.9048; also, the GDR amounted to US$177,193 thousand and each GDR underlying 1 common stock share of the Company. Such cash capital increase had already been approved by the Financial Supervisory Commission on August

13, 2010 with the FSC.certificate.far.tzi No. 0990041383 Letter issued. For this capital increase, the Company had sufficient stock shares issued and proceeds collected on September 9, 2010 for a grand total of US$177,193 thousand and a net total of US$174,931 thousand after deducting the underwriting fees of US$2,262 thousand, which was equivalent to NT$5,580,288 thousand after being translated in accordance with the closing exchange rate of the day. In addition, after deducting the related issuance cost of NT$11,531 thousand, the premium amount of NT$4,958,757 thousand was booked in the "Capital surplus" account.

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

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

2. Capital surplus

The Capital surplus balance of the Company is as follows:

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

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

It was resolved in the Company's shareholders' meeting on June 25, 2015 to distribute cash dividend of NT$1,044,058 thousand (NT$1.8 per share) and NT$523,142 thousand (NT$1 per share) with the Capital surplus in 2014 and 2013 respectively. Please visit the MOPS for the related information.

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

3. Legal reserve

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

4. Special reserve

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

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

5. Earnings distributions and dividend policy

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

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

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

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

The 2014 and 2013 earnings distribution were resolved in the regular shareholders' meeting on June 25, 2015 and June 26, 2014 respectively. The dividend distributed per share, employee bonus and directors' compensation are all NT$0 thousand. The earnings actually distributed in 2014 and 2013 mentioned above are no different from those recognized in the financial reports of the consolidated companies.

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

According to the amendment to the Company Act in March 2015, the remuneration to the employees and directors are no longer earning distribution item. The Company shall accomondate to amend the article of corporation before the deadline set up by the competent authority.

6. Treasury stock

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

Unit: Thousand shares

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

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

7. Other equity (after tax)

	Exchange difference arising from the conversion of a foreign institution's financial statements	**Investments available-for-sale**	**Other**	**Total**
Balance – 1/1/2015	$ (1,669,610)	(993,913)	(6,989)	(2,670,512)

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

(XVIII) Share-based payment

1. Employee stock warrants

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

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

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

The remuneration cost of the Company's 2015 and 2014 compensating employee stock option plan amounted to NT$12,303 thousand and NT$22,696 thousand, respectively, (including NT$3,317 thousand and NT$6,118 thousand recognized as remuneration cost by the subsidiaries, respectively). The fair value of the stock option awarded to employees on August 10, 2011 was estimated in accordance with Black-Scholes stock option valuation model and with the weighted average information of the assumptions illustrated as follows:

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

The Company at the time of partition had transferred 2,175 thousand shares and 885 thousand shares of the stock option to the subsidiaries, Globalwafers Co., Ltd. and Sino Sapphire CO., LTD., on October 1, 2011, respectively. The volume and weighted average price of the Company's employee stock warrant in 2015 and 2014 is disclosed as follows:

	2015		2014	
Employee stock options	**Quantity (thousand shares)**	**Adjusted weighted average price (NT$)**	**Quantity (thousand shares)**	**Adjusted weighted average price (NT$)**
Outstanding shares - beginning	4,650	$ 55.10	4,980	57.40
Confiscated in current period (number of failures)	-	-	(20)	55.10
The number of shares transferred in the current period of employees assigned to subsidiaries	(65)	52.40	(310)	55.10
Outstanding shares - end of period	4,585	52.40	4,650	55.10
Exercisable employee stock options - end of period	3,668	52.40	2,790	55.10
The average fair market value per share (NT$) of the employee stock options	$ 23.36		23.36	

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

(XIX) Earnings per share

1. Basic earnings per share

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

2. Diluted earnings per share

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

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

(XX) Revenues

		2015	2014
Sales of goods	$	11,349,361	9,086,407
Labor service provided		396	8,830
Processing revenue		566,211	80,500
	$	11,915,968	9,175,737

(XXI) Remuneration to employees and directors

Pursuant to the article of corporation of the Company approved by the directors of the board but yet to be resolved at the shareholders' meeting, for any earnings of the year, no more than 3% to 15% shall be appropriated as remuneration to the employee and distributed in cash or stocks as proposed by the board of directors. The employees of the Company's subsidiary who have met the specific conditions are entitled to such distribution; the Company may appropriate no more than 3% of the earnings mentioned above as remuneration to the directors as resolved by the directors of the board. The distribution of remuneration of employees and directors should be submitted and reported to the shareholders' meeting. In case the Company has cumulative losses, it should reserve amount to make up losses before distributing remuneration to the employees and directors in pursuant to the percentage mentioned in the preceding paragraph.

The Company has estimated the remuneration to employees and directors of 2015 as NT$58,372 thousand and NT$11,000 thousand respectively. The basis for the estimate is for the net income before tax and the exclusion of the remuneration to multiply the distribution multiplier. The result is reported as either operating costs or expenses of 2015. Any difference between the amount actually distributed and the estimated amount shall be handled as changes of accounting estimates, and recognized as profit and loss of 2015.

(XXII) Other income

	2015	2014
Interest income	$ 6,128	4,847
Dividend income	15,724	11,711
	$ 21,852	**16,558**

(XXIII) Other profit and loss

	2015	2014
Foreign currency exchange gains and losses	$ 52,107	101,325
Impairment loss	(57,826)	-
Other	63,998	60,077
	$ 58,279	**161,402**

(XXIV) Financial costs

	2015	2014
Interest expenses		
Bank loans	$ 50,903	92,266
Lease payable	14,269	5,485
	$ 65,172	**97,751**

(XXV) Other comprehensive income for subsidiaries and affiliates under equity method

Other comprehensive income for subsidiaries and affiliates of the Company under equity method of 2015 and 2014 are detailed as follows:

	2015	2014
Remeasurement of defined benefit plan	$ (13,752)	(48,884)
Exchange difference arising from the conversion of a foreign institution's financial statements	187,515	(211,776)
Unrealized gains or losses on valuation of financial assets available for sales	(75,071)	4,958
	$ 98,692	**(255,702)**

(XXVI) Financial instruments

1. Credit risks

(1) Credit risk exposure

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

(2) Concentration of credit risk

The Company's material clients are in the silicon wafer industry. The Company assigns a credit line to each customer in accordance with the credit procedures; therefore, the Company's credit risk is mainly affected by the silicon wafer industry. As of December 31, 2015 and 2014, 81% and 73%, respectively, of the Company's notes and accounts receivable (including related party) were attributable to the top-10 customers. Although there was the risk of concentration, the Company had regularly assessed the likelihood of the recovery of receivables and with appropriate allowance for bad debts appropriated.

2. Liquidity Risk

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

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2015							
Non-derivative financial liabilities							
Short-term loans	$ 1,150,000	(1,163,035)	-	(1,163,035)	-	-	-
Notes and accounts payable (including related party)	1,677,070	(1,677,070)	(1,677,070)	-	-	-	-
Long-term loans (including long-term loan due in one year)	2,611,106	(2,745,679)	(66,139)	-	(1,387,077)	(1,292,463)	-
Financing lease liabilities	288,729	(398,694)	(9,746)	(9,746)	(19,492)	(58,476)	(301,234)
	$ 5,726,905	**(5,984,478)**	**(1,752,955)**	**1,172,781)**	**6,578,668**	**(6,889,810)**	**(301,234)**
December 31, 2014							
Non-derivative financial liabilities							
Short-term loans	750,000	(758,510)	-	(758,510)	-	-	-
Notes and accounts payable (including related party)	1,056,628	(1,056,628)	(1,056,628)	-	-	-	-
Long-term loans (including long-term loan due in one year)	4,475,334	(4,656,486)	(336,140)	(338,947)	(2,975,473)	(1,005,926)	-
Financing lease liabilities	296,706	(418,186)	(9,746)	(9,746)	(19,492)	(58,476)	(320,726)
	$ 6,578,668	**(6,889,810)**	**(1,402,514)**	**(1,107,203)**	**7,140,362**	**(7,455,798)**	**(320,726)**

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

3. Exchange rate risk

(1) Exchange rate risk exposure

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

	2015.12.31		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary items			
USD	$ 102,870	32.825	3,376,708
JPY	35,794	0.2727	9,761
EUR	18,198	35.880	652,944
Financial liabilities			
Monetary items			
USD	39,800	32.825	1,306,435
JPY	20,571	0.2727	5,610
EUR	3,371	35.880	120,951

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

(2) Sensitivity analysis

The Company's exchange rate risks primarily come from the cash and cash equivalents, accounts receivable, loan and accounts payable, etc. denominated in foreign currency with the resulting foreign currency exchange gains and losses. When the rate of NT to USD, JPY, and EUR was valued or devalued by 5% on December 31, 2015 and 2014 and with all other factors remaining unchanged, the 2015 and 2014 net income before tax was increased or decreased by NT$130,321 thousand and NT$91,290 thousand, respectively. The analysis of the two periods was performed on the same basis.

(3) Exchange gains or losses for monetary items

The exchange gains or losses of the Company's monetary items (including realized and unrealized) due from conversion to the functional currency, as well as the exchange rate used to convert to the functional currency of the parent company (i.e the currency as expressed in the Company's financial statement) are as follows:

	2015		2014	
	Exchange gains or losses	**The average exchange rate**	**Exchange gains or losses**	**The average exchange rate**
USD	$ 17,963	31.739	74,364	30.306
EUR	38,531	35.240	35,974	40.28
JPY	(4,431)	0.2624	(9,202)	0.287
Franc	44	33.00	(44)	33.14
RMB	-	-	233	4.92

4. Interest rate analysis

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

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

If interest rates increased or decreased by 0.25%, but all other variables remained constant, the Company's net income before tax in 2015 and 2014 would be decreased or increased by NT$6,205 thousand and NT$11,153 thousand, respectively, mainly due to the Company's loans with variable interest rates.

5. Fair value information

(1) Types of financial instruments and fair value

Information on the carrying amounts and fair values of financial assets and financial liabilities of the Company (including information on fair value hierarchy; however for financial instruments not measured at fair value but with carrying amounts reasonably approximate to fair value, or equity instrument investment in the active market with no quotation and no fair value reliably measured, there is no need to disclose fair value information) are as follows:

	2015.12.31				
		Fair value			
	Carrying Amount	**Level I**	**Level II**	**Level III**	**Total**
Financial assets in available-for-sale－non-current	$ 840,130	840,130	-	-	840,130
Financial assets measured at cost – non-current	$ 811,802	-	-	-	-
Loans and receivables					
Cash and cash equivalents	$ 1,279,123	-	-	-	-
Notes and accounts	2,652,104	-	-	-	-

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
receivable (including related party)					
Other financial assets (current and noncurrent)	41,902	-	-	-	-
Subtotal	$ 3,973,129	-	-	-	-

	2015.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Financial liabilities measured with amortized costs					
Short-term loans	$ 1,150,000	-	-	-	-
Long-term loans (including long-term loan due in one year)	2,611,106	-	-	-	-
Notes and accounts payable (including related party)	1,677,070	-	-	-	-
Finance lease payable (current and non-current)	288,728	-	344,295	-	344,295
Subtotal	$ 5,726,904	-	344,295	-	344,295

	2014.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Financial assets in available-for-sale－non-current	$ 858,637	$ 858,637	-	-	858,637
Financial assets measured at cost – non-current	$ 867,323	-	-	-	-
Loans and receivables					
Cash and cash equivalents	$ 1,460,560	-	-	-	-
Notes and accounts receivable (including related party)	1,507,658	-	-	-	-
Other financial assets (current and noncurrent)	66,337	-	-	-	-
Subtotal	$ 3,034,555	-	-	-	-
Financial liabilities measured with amortized costs					
Short-term loans	$ 750,000	-	-	-	-
Long-term loans	4,475,334	-	-	-	-

	2014.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
(including long-term loan due in one year)					
Notes and accounts payable (including related party)	1,056,628	-	-	-	-
Finance lease payable (current and non-current)	296,706	-	357,559	-	357,559
Subtotal	$ 6,578,668	-	357,559	-	357,559

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

The methods and assumptions the Company adopts to estimate fair value of instruments that are not measured at fair value are as follows:

Financial liabilities measured with amortized costs

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

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

Non-derivatives financial instruments

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

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

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

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

(XXVII) Financial Risk Management

1. Outline

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

(1) Credit Risk
(2) Liquidity Risk
(3) Market Risk

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

2. Risk management structure

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

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

The audit committee of the Company oversees the management personnel to monitor and control the Company's compliance of risk management policies and procedures, as well as review the appropriateness of relevant risk management framework the Company employs to determine and plan responses to risk. The internal auditor assists the audit committee the Company to play the role of auditors. Internal auditors carry out the regular and extraordinary review of risk management controls and procedures, and report the results of the review to the Board.

3. Credit Risk

The primary potential credit risk of the Company mainly comes from the financial instruments of cash and accounts receivable. The Company's cash is deposited in different financial institutions

(1) Accounts receivables and other receivables

The Company has established a credit policy. Before granting the standard payment and shipping terms as well as any other clauses, the Company shall analyze the credit rating of each new customer respectively. The limit on purchase quota shall be established according to each respective customer, and the limit shall be reviewed periodically. For customers not meeting the standard credit ratings as required, they can only make purchases from the Company on the basis of pre-payment.

The Company has not requested collaterals on accounts receivables and other receivables.

(2) Investment

Credit risk on bank deposits, fixed-income investments and other financial instruments are measure and monitored by the Company's finance department. As the Company's trading partners and its counterparties fulfill their obligations either as banks with good credit standing or financial institutions, corporations, and government agencies of investment-grade and above, there should be no significant credit risk of them defaulting on their payment obligations, and this shall not be a concern.

(3) Guarantees

Pursuant to the Company's policy, it can only provide financial guarantees to companies with which it has business dealings, i.e. those companies that directly and indirectly hold more than 50 percent of the Company's voting shares, as well as the combined companies in which the Company holds directly and indirectly more than 50 percent of the voting shares. As of December 31, 2015 and 2014, except to the subsidiary companies, the Company does not provide any endorsement or guarantee.

4. Liquidity Risk

The Company has managed to pay for its operations by managing and maintaining sufficient cash and cash equivalents while mitigating the effects of fluctuations in cash flows. The Company's management is responsible for monitoring the credit lines granted by the bank and ensuring the compliance of the terms specified on the loan.

The bank loan is an importance source of liquidity. As of December 31, 2015 and 2014, the unused short term bank credit lines are NT$1,382,720 and NT$1,954,800 respectively.

5. Market Risk

Market risk refers to the changes in market prices, such as exchange rates, interest rates and equity instrument price changes, causing risks to the Company's income or the value of the financial instruments. The purpose of market risk management is to contain market risk exposure within the tolerable range and with the return on investment optimized.

(1) Exchange rate risk

The Company is exposed to exchange rate risk that arises from sales, purchases and loans transactions denominated in non-functional currency. The Company's functional currency is NT Dollars. Such transactions are mainly denominated in the currencies of NTD, USD, JPY and EUR.

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

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

(2) Interest rate risk

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

(3) Equity instrument price

The Company has equity price exposures due to investments in stocks listed on the Taipei Exchange (TPEx). Those equity investments are not held for trading but for strategic investment.

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

(XXVIII) Capital Management

The policy of the Board of Director is to maintain sound capital base in order to uphold the confidence of investor, creditor, and market, and to support future operations and development. Capital includes the Company's capital stock, capital surplus, retained earnings and other equities. The Board of Directors controls the return on capital and the common stock dividend level.

Debt capital ratio on the reporting date is as follows:

	2015.12.31	2014.12.31
Total liabilities	$ 9,282,839	10,271,663
Less: Cash and cash equivalent	(1,279,123)	(1,460,560)
Net liabilities	**$ 8,003,716**	**8,811,103**
Total Equity	**$ 22,986,756**	**20,898,239**
Debt capital ratio	**34.82%**	**42.16%**

As of December 31, 2015 the debt capital ratio has decreased due to the repayment of long term loan, reducing total liabilities.

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

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

VII. Related party transactions

(I) The relationship between parent company and subsidiaries

The Company's subsidiaries are as follows:

		Owner's equity (shareholding %)	
	Location of establishment	**2015.12.31**	**2014.12.31**
Sino Silicon Technology Inc. (referred to hereinafter as SSTI)	British Virgin Islands	100%	100%
Globalwafers Co., Ltd.	Taiwan	66.70%	94.92%
Aleo Solar GmbH (referred to hereinafter as Aleo Solar) (Note 1)	Germany	100%	100%
Aleo Solar Distribuzione Italia S.r.l.	Italy	100%	100%
Aleo Sunrise GmbH (referred to hereinafter as Aleo Sunrise)	Germany	100%	-
SAS Sunrise Inc.	Cayman	100%	-
SAS Sunrise Pte. Ltd.	Singapore	100%	-
Sulu Electric Power and Light Inc. (Referred to hereinafter as SPV) (Note 2)	Philippines	40%	-
MLED International Systems Inc. (referred to hereinafter as AMLED)(Note 3)	Philippines	-	-
Sino-American Materials Co., Ltd.	Taiwan	90%	90%
FZtech Inc. (referred to hereinafter as FZtec)	Taiwan	100%	-
GlobalSemiconductor Inc. (referred to hereinafter as GSI)	Cayman	100%	100%
GlobalWafers Inc.(referred to hereafter as GWI)	Cayman	100%	100%
GWafers Co., Ltd.(referred to hereinafter as GWafers)	Japan	100%	100%
Sino-America Silicone Products Inc. (hereinafter referred to as "Sino-America Silicone")	Kunshan City, Jiangsu Province	100%	100%
GlobiTech Incorporated(referred to hereinafter as GTI)	Texas	100%	100%
GlobalWafers Japan Co., Ltd.(referred to hereinafter as GWJ)	Japan	100%	100%

Note 1: was known as "SCP Solar GmbH" and renamed as "Aleo Solar GmbH" in 2014.

Note 2: even if the merged company has no more than 50 percent voting shares in SPV, it may control the finance and strategy of the SPV through valid agreements with other investors of SPV. As a consequence the SPV is deemed as a subsidiary of the Company.

Note 3: even if the merged company does not hold any equity interest in AMLED, it may control the finance and strategy of this company and obtain all interests derived from its operations and net assets. As a consequence AMLED is deemed as a subsidiary of the Company.

(II) Parent company and ultimate controller

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

(III) Other related party transactions

1. Operating revenue

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

		2015	2014
Subsidiary	$	1,226,527	398,712
Affiliated companies		1	1
Other related parties		1,422,325	1,096,537
	$	2,648,853	1,495,250

The Company had processing income from the related party for NT$174,927 thousand and NT$215,330 thousand in 2015 and 2014 that was debited to the operating cost, respectively.

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

In 2015 and 2014, the Company offered a payment term to regular customers of O/A 0~90 days and 0~210 days respectively; the payment terms offered to major related parties are Net 45~180 days and Net 30~120 days respectively.

2. Purchase and outsourced processing

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

		2015	2014
Subsidiary	$	34,964	15,496
Other related parties		833,784	320,473
	$	868,748	335,969

The Company has used the general market price to purchase goods and outsource processing from the related party.

In 2015 and 2014 the Company was granted a payment term of O/A 0 day ~ 120 days from regular suppliers; and Net 7~90 days and O/A 15~60 days purchase term granted from the related parties.

3. Receivables from related parties

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

Account	Classification of related party		2015.12.31	2014.12.31
Receivables from related parties	Subsidiary	$	966,592	121,490
Receivables from related parties	Other related parties		169,671	160,005
		$	1,136,263	281,495

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

	2015.12.31	2014.12.31
Other related parties	$ 962,788	1,015,786

4. Payables to related parties

The Company's payables to related parties are as follows:

Account	Classification of related party	2015.12.31	2014.12.31
Payable to related parties	Subsidiary	$ 9,259	1,302
Payable to related parties	Other related parties	198,545	77,142
		$ 207,804	78,444

5. Property transactions

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

	2015		2014	
	Sale price	Receivables from related parties	Sale price	Receivables from related parties
Subsidiary	$ 3,697	-	30,114	-
Affiliated companies	281	-	-	-
Other related parties	2,849	-	-	-
	$ 6,827	-	30,114	-

In 2015 and 2014 the realized gains were NT$645 thousand and NT$14,590 thousand respectively. As of December 31, 2015 and 2014 the deferred gains on disposal fixed assets from selling fixed assets to related parties are NT$3,496 thousand and NT$0 respectively.

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

	2015		2014	
	Amount	Amount payable at end of period (Prepaid equipment)	Amount	Amount payable at end of period (Prepaid equipment)
Subsidiary	$ -	-	3,500	-
Other related parties	118,437	-	238,999	(95,623)
	$ 118,437	-	242,499	(95,623)

6. Management fee income

Information regarding the Company's collecting the management fees income from related parties and having them debited to the management expense is as follows:

	2015	2014
Subsidiary	$ 15,584	37,546

As of December 31, 2015 and 2014, the management fees yet to be received are NT$2,014 thousand and NT$11,367 thousand respectively and recorded in the account of receivable from related parties.

7. Technical service income

The Company collected technical service income from the related parties and recorded them in the account of "Other profits or losses". Please see detail as follows:

	2015	2014
Subsidiary	$ 10,848	13,786
Affiliated companies	-	741
	$ 10,848	14,527

As of December 31 of 2015 and 2014, the technical service income yet to be received is recorded in the account of receivables from related parties of NT$2,835 thousand and NT$3,576 thousand respectively.

8. The consolidated tax return system

The Company and the subsidiaries have had the profit-seeking enterprise income tax return filed in accordance with the Consolidated Tax Return System since the year of 2012. As of December 31, 2014, the taxes under the consolidated tax system is NT$89,025 thousand and recorded under the account of receivable from related parties.

9. Loan to related parties

The actual disbursement of loan to the related parties is as follows:

	2015.12.31	2014.12.31
Subsidiary	$ 179,400	-

The interests on loans to subsidiaries are calculated with the average interest rate of the year the disbursement was made. All loans are unsecured. The interest incomes in 2015 and 2014 are NT$500 thousand and NT$0 respectively. As of December 31, 2015 and 2014, the interest receivable at end of period are NT$275 thousand and NT$0 thousand respectively and recorded under the account of receivables from related parties.

10. Loan from related parties

The Company has borrowed from the subsidiaries to meet its operation needs. As of December 31, 2014, the loan has been repaid in full.

The interests on loans borrowed from related parties are calculated with the average interest rate of the year; the disbursement was made from the related parties. All loans are unsecured. The interest expenses in 2014 are NT$1,973 thousand. As of December 31, 2014, the interest payable in the ending period has been repaid in full.

11. Endorsement and guarantee

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

	2015.12.31	2014.12.31
Subsidiary	$ 1,981,518	139,061

12. Various amount paid on behalf

    As of December 31, 2015 and 2014, the unsettled balance of amounts paid on behalf in between related parties, including the purchase of materials, insurance and utilities bills, are recorded under the account of receivables (payable) from/to the related parties as follows:

	2015.12.31	2014.12.31
Subsidiary	$ 34,456	892
Subsidiary	(131,693)	488)
Affiliated companies	5,867	9,822
Affiliated companies	(41)	(41)
Other related parties	-	(3,527)
	$ (91,411)	6,658

13. Other

    (1) The company's direct sales to the related parties are deemed as transfer of inventory and not as sales and costs of the Company, as the sales revenue and related costs are offset in the financial statements. For 2015 the sales mentioned above is NT$1,411,392 thousand. As of December 31, 2015, deferred revenue from the above transactions amounted to NT$81,952 thousand and recorded in the account of investment under equity method.

    (2) The Company sold indirectly to its subsidiaries in 2015 and 2014, and purchased the finished products from the subsidiaries for immediate resale to the Company's customers. Transactions were denominated at cost plus percentage. Sales income and purchase had been written off when the financial statements were prepared and they were not treated as the Company's sales and purchases. The unrealized gains and losses arising from the indirect trading had been deferred. The labor service revenue from the above transactions are NT$0 and NT$8,830 thousand respectively and recorded under the account of labor service revenues.

    (3) The plant lease contract signed by the Company and its related parties are summarized as below:

        The Company has signed a contract to lease a plant from its related parties. The lease payable and other payables to the related parties are detailed as follows:

	2015	2014
Subsidiary	$ 816	816
Other related parties	11,340	-
	$ 12,156	816

Account	Classification of related party	2015.12.31	2014.12.31
Payable to related parties	Subsidiary	$ 71	-

(4) The lease contracts the related parties signed with the Company are summarized as follows:

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

	2015	2014
Subsidiary	$ 2,400	2,400
Affiliated companies	7,836	7,836
	$ 10,236	10,236

Account	Classification of related party	2015.12.31	2014.12.31
Receivables from related parties	Subsidiary	$ 420	420
Receivables from related parties	Affiliated companies	686	686
		$ 1,106	1,106

(IV) Major transactions involving management

The remuneration to key management include:

	2015	2014
Short-term employee benefits	$ 47,850	55,685
Post-employment benefits	486	513
Share-based payment	4,827	8,951
	$ 53,163	65,149

The Company provided 3 automobiles for a total of NT$3,345 thousand and 4 automobiles for a total of NT$4,645 thousand for the use by management in 2015, and 2014 respectively.

VIII. Pledged assets

(I) The carrying amount of the assets pledged by the Company as collateral is as follows:

Assets	Pledge or Mortgage underlying subject	2015.12.31	2014.12.31
Property, plant and equipment	Long-term debt payable	$ 585,410	622,561
Bank deposits (recorded as "other financial assets – noncurrent" account)	Innovation Center program performance bond	-	21,745
Bank deposits (recorded as "other financial assets – noncurrent" account)	Solar energy demonstration system pledge guarantee	201	201
Bank deposits (recorded as "other financial assets – noncurrent" account)	Pledged as collateral to a land lease	20,497	20,497
Bank deposits (recorded as "other financial assets – noncurrent" account)	Performance bonds for Government grant provided to technology projects	8,412	8,400
		$ 614,520	673,404

IX. Material-contingent liabilities and unrecognized contractual commitments

(I) Material unrecognized contractual commitments

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

(Foreign currency unit: in Thousand)

	2015.12.31	2014.12.31
USD	$ 1,641,970	1,100,639
EUR	$ 48,400	22,005

Silicone supplier Hemlock Semiconductor Pte Ltd. has send notification requesting the Company for prepayment, payment for goods to be collected, and late payment arrearage interests in accordance with the long-term purchase contract for a cumulative total of US$452,640 thousand as of December 31, 2015. The aforementioned purchase amount yet to be collected, except for interest, has included the amount requested by the suppliers. Hemlock Semiconductor Pte Ltd. has served summons and complaints to the Company and they arrived the Company on May 12, 2015. For relevant information please refer to (2) the contingent liabilities.

The Company has appropriated impairment loss on prepayment of goods purchased from the silicone supplier for NT$177,539 thousand and NT$444,256 thousand respectively. As of December 31, 2015 and 2014, the pre-payments for goods to a silicone supplier by the Company, net of the impairment loss of NT$919,200 thousand and NT$795,218 thousand, are NT$1,749,967 thousand and NT$2,418,568 thousand respectively and recorded under the account of material pre-payments and long-term pre-paid material".

2. In response to the long-term purchase contract referred to above, the Company has signed silicone wafer long-term sales contracts with the customers since the year 2005, who agreed to pay for the non-refundable funds. Both parties agreed that the Company sells silicon wafers in accordance with the agreed quantity and price between January 1, 2006 and December 31, 2019. If the delivery has not been made in compliance with the contract signed, a sales discount or an amount equivalent to 1.5~4 times of the advances from customers as compensation should be granted. If the delay of shipment has not been resolved for more than three months, the outstanding pre-payment should be refunded. In response to the price decline arising from the falling demand, solar energy battery customers and the Company will negotiate the selling price and adjusting the average selling price in accordance with market conditions.

   The amount of delivery according to the existing contracts and current market conditions is as follows:

(Foreign currency unit: in Thousand)

	2015.12.31	2014.12.31
USD	$ 277,007	197,859
EUR	$ 188,879	143,544
NTD	$ 580,961	3,002,132

3. As of December 31, 2015 and 2014, material construction as well as equipment and plants projects signed or ordered but yet to be inspected amounted to NT$542,779 thousand and NT$45,680 thousand respectively.

4. As of December 31, 2015 and 2014, the total amount of promissory notes deposited in the bank by the Company after obtaining bank loans was NT$9,612,720 thousand and NT$9,254,800 thousand, respectively.

5. As of December 31, 2015 and 2014, the amount of the performance bond issued by the bank upon the request of the Company to the Directorate General of Customs, Ministry of Finance and for R&D programs was NT$41,400 thousand and NT$23,000 thousand, respectively.

6. As of December 31, 2015, the letter of credits issued yet unused amounted to US$6,162 thousand and EUR$ 4,288 thousand.

7. The Company and polycrystalline solar cell manufacturers (hereinafter referred to as "the manufacturer") have a cooperation agreement signed so that the manufacturer is to provide a plant and equipment to the Company for business operations from April 1, 2015 to March 31, 2021. According to the contract, the Company shall allocate part of the operating profit arising from the plant and equipment to the manufacturer. During the contract period, after the cumulative operating profit reached a certain amount, the Company is entitled to

obtain ownership of the plant and equipment with or without any consideration paid.

(II) Contingent liabilities

Silicone supplier Hemlock Semiconductor Pte. Ltd. has filed claims against the Company in the Supreme Court in the state of New York in March, 2015, accusing the Company of breach of contract and demanding compensation for the damages. The company has submitted rebuttal denying the claims raised by Hemlock Semiconductor Pte. Ltd. As of the reporting date of the individual financial reports, the claims were still in the discovery stage. To avoid the impact the lawsuit may have on the Company, the provisions, contingent liabilities and contingent assets were not disclosed in the financial report in full compliance as prescribed by IAS 37. The Company has retained lawyers to fight and rebut all claims raised by Hemlock Semiconductor Pte. Ltd.

X. Loss from major accidents: None

XI. Materiality after the period

XII. Others

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

By Function / By Nature	2015			2014		
	Classified as operating cost	Classification of operating expenses	Total	Classified as operating cost	Classification of operating expenses	Total
Employee benefits expense						
Salaries	745,064	154,526	899,590	607,199	173,463	780,662
Labor and health insurance	67,325	11,582	78,907	45,438	7,992	53,430
Pension expenses	30,356	6,010	36,366	20,998	4,226	25,224
Other employee benefits expense	35,137	3,600	38,737	29,058	3,114	32,172
Depreciation expense	832,083	62,243	894,326	473,368	41,903	515,271
Amortizations	17,785	-	17,785	1,482	-	1,482

As of December 31 2015 and 2014, the Company has 1,754 and 1,288 employees respectively.

XIII. Supplementary disclosure

(I) Relevant information of material transactions:

Significant transactions to be disclosed by the Company in 2015 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers are as follows:

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

(II) Transfer Investment Information: Attachment VIII

(III) Information on investment in Mainland China:

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

XIV. Segment information

Please refer to the 2015 consolidated financial statements for segment information, in detail.

Sino-American Silicon Products Inc. and its subsidiaries
Lending of Funds
From January 1 to December 31, 2015

Attachment I

Unit: NT$ Thousand

No.	Lending company	Borrower	Inter account	A related party or not	Maximum amount	Balance - ending	The actual utilization amount balance	Interest rates interval	Nature of the loans (Note 1)	Trade amount	Reasons for short-term financing	Allowance for bad debt	Collateral		Loaning of fund to individual object and the limits (Note 2 and 4)	Limit for total funds lended (Note 3)
													Name	Value		
0	Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Loan receivable – related party	Yes	631,600 (USD20,000)	-	-	2.0%	2	-	Working capital	-	-	-	2,298,676	9,194,703
0	Sino-American Silicon Products Inc.	SPV	Loan receivable – related party	Yes	492,375 (USD15,000)	492,375 (USD15,000)	-	4.5%	2	-	Working capital	-	-	-	2,298,676	9,194,703
0	Sino-American Silicon Products Inc.	Aleo Solar	Loan receivable – related party	Yes	369,200 (EUR10,000)	358,800 (EUR10,000)	89,700 (EUR2,500)	2.0%	2	-	Working capital	-	-	-	2,298,676	9,194,703
0	Sino-American Silicon Products Inc.	Aleo Sunrise	Loan receivable – related party	Yes	179,400 (EUR5,000)	179,400 (EUR5,000)	89,700 (EUR2,500)	2.0%	2	-	Working capital	-	-	-	2,298,676	9,194,703
1	Globalwafers Co., Ltd.	Sino-American Silicon Products Inc.	Loan receivable – related party	Yes	1,200,000	-	-	1.8%	2	-	Working capital	-	-	-	1,672,460	6,689,839
2	SSTI	SPV	Loan receivable – related party	Yes	460,180 (USD14,000)	459,550 (USD14,000)	459,550 (USD14,000)	4.0%	2	-	Working capital	-	-	-	459,571	459,571
3	SAS Sunrise Inc.	AMLED	Loan receivable – related party	Yes	32,870 (USD1,000)	32,825 (USD1,000)	32,825 (USD1,000)	4.0%	2	-	Working capital	-	-	-	318,188	318,188
4	SAS Sunrise Pte. Ltd	AMLED	Loan receivable – related party	Yes	288,860 (USD8,800)	288,860 (USD8,800)	288,860 (USD8,800)	4.5%	2	-	Working capital	-	-	-	295,554	295,554

Note 1: The entry method for the loaning of funds is as follows:

(1) “1” stands for those who had conducted business transactions with the company;

(2) “2” stands for where there was need for a short-term loan;

Note 2: For the loaning of funds to a business counterpart, the individual loan amount is limited to the transaction amount conducted between the two parties within the year. For the loaning of funds to a company with the need of short-term financing, the individual loan amount is limited to 10% of the net worth of the lender. For the loaning of funds between the lender and a foreign company with 100% voting rights held directly and indirectly by the lender, the individual loan amount is limited to 20% of the net worth of the lender.

Note 3: For the loaning of funds to a business counterpart, the total loan amount is limited to 40% of the net worth of the lender. For the loaning of funds to a company with the need of short-term financing, the total loan amount is limited to 10% of the net worth of the lender. For the loaning of funds between the lender and a foreign company with 100% voting rights held directly and indirectly by the lender, the total loan amount is limited to 40% of the net worth of the lender.

Sino-American Silicon Products Inc. and its subsidiaries
Endorsement and guarantee for others:
From January 1 to December 31, 2015

Attachment II

Unit: NT$ Thousand

No.	Endorsing company	Endorsed company		Endorsement limit to a single company (note 2)	Maximum endorsement and guarantee balance this period	Endorsement balance at end of period	Amount of actual disbursement	Endorsement and guarantee with assets as collateral	Ratio of accumulated endorsement and guarantee of the net worth on the most recent financial statement	Maximum amount for guarantee (note 1)	Endorsement and guarantee by the parent company to it subsidiaries	Endorsement and guarantee by the subsidiaries to parent company	Endorsement and guarantee to companies in Mainland China.
		Company Name	Relationship										
0	Sino-American Silicon Products Inc.	GWJ	Transfer investment company of Sino-American Silicon Products Inc.	2,298,676	143,948 (JPY 525,551)	143,318 (JPY 525,551)	-	-	0.62%	11,493,378	Y	N	N
0	Sino-American Silicon Products Inc.	SAS Sunrise Inc.	- Ditto -	2,298,676	328,700 (USD10,000)	-	-	-	-	11,493,378	Y	N	N
0	Sino-American Silicon Products Inc.	SAS Sunrise Inc. & SAS Sunrise Pte. Ltd. & SPV	- Ditto -	2,298,676	1,838,200 (USD56,000)	1,838,200 (USD56,000)	742,584 (USD22,623)	-	8.00%	11,493,378	Y	N	N
1	Globalwafers Co., Ltd.	GWJ	- Ditto -	1,672,460	273,900 (JPY 1,000,000)	272,700 (JPY 1,000,000)	-	-	1.63%	8,362,299	N	N	N

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

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

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

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

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

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

Sino-American Silicon Products Inc. and its subsidiaries
Marketable securities held at end of period
(not including subsidiary invested, affiliated companies and the jointly controlling portion)
December 31, 2015

Attachment III

Unit: NT$ Thousand /Thousand shares; thousand units

Companies owned	Type and names of marketable securities	Affiliation with marketable security issuers	Account titles	Ended				Remarks
				Number of shares	Carrying Amount	Shareholding ratio	Fair value	
Sino-American Silicon Products Inc.	Stock of Solartech Energy Corp.	Sino-American Silicon Products Inc. is the management of Solartech Energy Corp.	Financial assets in available-for-sale －non-current	29,480	598,453	7.93%	598,453	
Sino-American Silicon Products Inc.	Stock of Actron Technology Corporation	Chairman of the company is also the Chairman of Sino-American Silicon Products Inc.	- Ditto -	2,129	241,677	2.84%	241,677	
GTI	Stocks of companies overseas	-	- Ditto -	2,074	533,741	4.95%	533,741	
					1,373,871			
Sino-American Silicon Products Inc.	Stock of SONGLONG ELECTRONICS CO., LTD.	-	Financial assets measured at costs - non current	221	-	13.81%	-	
Sino-American Silicon Products Inc.	Stock of Giga Epitaxy Technology Corp.	-	- Ditto -	1,100	7,499	1.52%	-	
Sino-American Silicon Products Inc.	Stock of 21-Century Silicon Inc	-	- Ditto -	1,000	-	7.74%	-	
Sino-American Silicon Products Inc.	Stock of Powertec Energy Corporation	-	- Ditto -	84,895	774,936	5.00%	-	
Sino-American Silicon Products Inc.	Stock of Sunshine PV Corp.	-	- Ditto -	5,928	29,367(note)	5.12%	-	
SSTI	Stock of SILFAB SPA	-	- Ditto -	300	550,895	15.20%	-	
SSTI	Stock of Clean Venture 21 Corporation	-	- Ditto -	10	-	7.20%	-	
					1,362,697			

Note: Include the prepayment of investment NT$2,305 thousand. As of the financial reporting date the procedures of capital increase has not been completed.

Sino-American Silicon Products Inc. and its subsidiaries
The cumulative purchase or sale of the same marketable security for an amount over NT$300 million or 20% of the paid-in capital
From January 1 to December 31, 2015

Attachment IV

Unit: NT$ Thousand / Thousand shares

Companies in the purchase and sale activities	Type and names of marketable securities	Account titles	Counter party	Relationship	Beginning		Bought		Sold				End of Period	
					Shares	Amount	Shares	Amount	Shares	Selling price	Carrying cost	Disposition gain or loss	Shares	Amount
Sino-American Silicon Products Inc.	Stock of Globalwafers Co., Ltd.	Long-term investments (Equity method)	Globalwafers Co., Ltd.	Subsidiaries directly held by Sino-American Silicon Products Inc.	301,381	12,532,812	-	-	55,088	4,223,828	1,377,506 (Note)	1,766,025	246,293	11,155,306
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Long-term investments (Equity method)	SAS Sunrise Inc.	Subsidiaries directly held by Sino-American Silicon Products Inc.	-	-	24,500	786,748 (Note)	-	-	-	-	24,500	786,748
SAS Sunrise Inc.	SAS Sunrise Pte. Ltd.	Long-term investments (Equity method)	SAS Sunrise Pte. Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	-	-	30,934	738,886 (Note)	-	-	-	-	30,934	738,886
SAS Sunrise Pte. Ltd.	SPV	Long-term investments (Equity method)	SPV	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	-	-	420,000	440,650 (Note)	-	-	-	-	420,000	440,650
GTI	Stocks of companies overseas	Financial assets in available-for-sale－non-current	-	-	-	-	2,074	533,741 (Note)	-	-	-	-	2,074	533,741

Note: It includes equity investment gains and losses recognized currently and cumulative translation adjustment.

Sino-American Silicon Products Inc. and its subsidiaries
Purchases or sales with related parties amounting to over NT$100 million or 20% of the paid-in capital
From January 1 to December 31, 2015

Attachment V

Unit: NT$ Thousand

Companies to make purchase (sale)	Name of the trading counter party	Relationship	Status of transaction				Special terms and conditions of trade and reasons		Notes receivable (payable), accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Total percentage of the accounts and notes receivable (payable) (%)	
Sino-American Silicon Products Inc.	Solartech Energy Corp.	Sino-American Silicon Products Inc. is the management of Solartech Energy Corp.	Purchase	819,319	8%	Net 14 days	-	-	(197,232)	(13)%	
Sino-American Silicon Products Inc.	Solartech Energy Corp.	Sino-American Silicon Products Inc. is the management of Solartech Energy Corp.	Sales	(1,421,350)	(12%)	Net 45 days	-	-	169,671	7%	
Aleo Solar	Sino-American Silicon Products Inc.	Subsidiaries directly held by Sino-American Silicon Products Inc.	Purchase	1,223,081	10%	Net 90 days	-	-	(583,989)	(24)%	
SPV	Sino-American Silicon Products Inc.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	(Note)	-	O/A 30 days	-	-	(373,569)	(15%)	
Globalwafers Co., Ltd.	Sino-American Silicon Products Inc.	Subsidiaries directly held by Sino-American Silicon Products Inc.	Purchase	187,514	2%	O/A 60 days	-	-	(43,068)	(3%)	
Globalwafers Co., Ltd.	GTI	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	832,432	9%	O/A 15 days	-	-	(17,223)	(1)%	
Globalwafers Co., Ltd.	Sino-America Silicon Products Inc.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	1,752,744	19%	O/A 45 days	-	-	(268,195)	(17)%	
Globalwafers Co., Ltd.	GWJ	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	5,150,462	56%	O/A 60 days	-	-	(1,038,083)	(67)%	
GTI	Globalwafers Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	2,397,361	35%	O/A 120 days	-	-	(830,939)	(37)%	
Sino-America Silicon Products Inc.	Globalwafers Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	851,754	12%	O/A 135 days	-	-	(96,935)	(4)%	

Companies to make purchase (sale)	Name of the trading counter party	Relationship	Status of transaction				Special terms and conditions of trade and reasons		Notes receivable (payable), accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	Percentage to total purchase (sales)	Credit term	Unit price	Credit term	Balance	Total percentage of the accounts and notes receivable (payable) (%)	
GWJ	Globalwafers Co., Ltd.	Subsidiaries indirectly held by Sino-American Silicon Products Inc.	Purchase	804,375	12%	O/A 60 days	-	-	(213,146)	(9)%	
Globalwafers Co., Ltd.	Actron Technology Corporation	Chairman of the company is also the Chairman of Sino-American Silicon Products Inc.	Sales	(282,361)	(4)%	O/A 60 days	-	-	76,310	3%	

Note: Sino-American Silicon Products Inc sells directly to the related parties. As the sales are deemed as inventory transfer, the sales revenues and related costs are offset in the financial reports and not deemed as sales and costs of Sino-American Silicon Products Inc.

Sino-American Silicon Products Inc. and its subsidiaries
Receivables from related parties for an amount over NT$100 million or 20% of the paid-in capital
December 31, 2015

Attachment VI

Unit: NT$ Thousand

Account receivable company	Name of the trade counterpart	Relationship	Receivables from related parties	Turnover rate	Overdue receivables from related parties		Receivables from related parties with mount received after the reporting date (note)	Allowance for bad debt
					Amount	Process		
Sino-American Silicon Products Inc.	Solartech Energy Corp.	Sino-American Silicon Products Inc. is the key management of Solartech Energy Corp.	169,671	9.59	-	-	169,671	-
Sino-American Silicon Products Inc.	Aleo Solar	Subsidiaries directly held by Sino-American Silicon Products Inc	583,989	3.77	-	-	419,529	-
Sino-American Silicon Products Inc.	SPV	Subsidiaries directly held by Sino-American Silicon Products Inc	373,569	-	-	-	304,022	-
Globalwafers Co., Ltd.	GTI	Subsidiaries directly held by Sino-American Silicon Products Inc	830,939	4.44	-	-	207,700	-
Globalwafers Co., Ltd.	GWJ	Subsidiaries directly held by Sino-American Silicon Products Inc	213,146	6.13	-	-	203,636	-
Sino-America Silicon Products Inc.	Globalwafers Co., Ltd.	Subsidiary directly held by Sino-American Silicon Products Inc	268,195	7.17	-	-	189,450	-
GWJ	Globalwafers Co., Ltd.	Subsidiary directly held by Sino-American Silicon Products Inc	1,038,083	4.94	-	-	959,517	-

Note: as of March 3, 2016, the amount received after the reporting date.

Sino-American Silicon Products Inc. and its subsidiaries
Reinvestment information (not including investments in Mainland China)
From January 1 to December 31, 2015

Attachment VII

Unit: NT$ Thousand / Thousand shares

Name of investing company	Name of invested company	Area	Main Business	The amount of the original investment		Shareholdings at end of period			Net income (loss) of the invested company	Investment gains and losses recognized in the current period	Remarks
				End of this period	The end of last year	Shares	Ratio	Carrying Amount			
Sino-American Silicon Products Inc.	SSTI	British Virgin Islands	The holding company of Sino-American Silicon Products Inc. for overseas investments	1,425,603 (USD 45,255)	1,425,603 (USD 45,255)	48,526	100.00%	1,148,928	(5,938)	(5,938)	Note 1
Sino-American Silicon Products Inc.	Globalwafers Co., Ltd.	Taiwan	Semiconductor silicon wafer materials and components manufacturing and trade	9,822,066	12,017,180	246,293	66.70%	11,155,306	2,044,193	1,518,631	-
Sino-American Silicon Products Inc.	Crystalwise Technology Inc.	Taiwan	Optical wafer and substrate manufacturing and trade	2,010,843	2,010,843	84,848	40.38%	1,487,561	(927,153)	(394,214)	Note 3
Sino-American Silicon Products Inc.	Sino-American Materials Co., Ltd.	Taiwan	EVA film for solar modules manufacturing and sale	90,000	90,000	9,000	90.00%	59,517	(22,660)	(20,476)	-
Sino-American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar cell module manufacturing	112,193	112,193	7,452	24.70%	119,306	3,710	-	-
Sino-American Silicon Products Inc.	Aleo Solar	Prenzlau	Solar cell manufacturing and sale and wholesale of electronic	558,139 (EUR 13,500)	558,139 (EUR 13,500)	(Note 2)	100.00%	479,387	11,778	11,778	Note 3
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Cayman	Reinvestments in various businesses	794,373 USD 24,500)	-	24,500	100.00%	786,748	(26,394)	(26,394)	-
Sino-American Silicon Products Inc.	FZtech Inc.	Taiwan	Power generating business	5,000	-	500	100.00%	5,000	-	-	-
SAS Sunrise Inc.	SAS Sunrise Pte. Ltd.	Singapore	Reinvestments in various businesses	719,292 (USD 22,000)	-	30,934	100.00%	738,886	(9,219)	(9,219)	-
SAS Sunrise Pte. Ltd.	SPV	Philippines	Power generating business	440,667 (USD 13,435)	-	420,000	40.00%	440,650	(12,105)	(4,842)	-

Name of investing company	Name of invested company	Area	Main Business	The amount of the original investment		Shareholdings at end of period			Net income (loss) of the invested company	Investment gains and losses recognized in the current period	Remarks
				End of this period	The end of last year	Shares	Ratio	Carrying Amount			
SAS Sunrise Pte. Ltd.	AMLED	Philippines	Reinvestments in various businesses	-	-	-	-	-	-	-	Note 4
AMLED	SPV	Philippines	Power generating business	297,229 (USD 9,065)	-	472,500	45.00%	291,781	(12,105)	(5,448)	-
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Italy	Solar cell manufacturing and sale and wholesale of electronic	4,078 (EUR 100)	4,078 (EUR 100)	(Note 2)	100.00%	10,555	4,825	4,825	-
Aleo Solar	Aleo Sunrise	Germany	Solar cell manufacturing and sale and wholesale of electronic materials	863 (EUR 25)	-	(Note 2)	100.00%	5,901)	(6,677)	(6,677)	-
Globalwafers Co., Ltd.	GWI	Cayman	Reinvestments in various businesses	2,241,668 (USD 73,423)	2,241,668 (USD 73,423)	90,000	100.00%	3,428,110	33,046	22,042	-
Globalwafers Co., Ltd.	GSI	Cayman	Business investment and triangular trade center with subsidiaries in China	756,809 (USD 26,555)	756,809 (USD 26,555)	25,000	100.00%	946,021	68,699	45,822	-
Globalwafers Co., Ltd.	GWafers	Japan	Reinvestments in various businesses	5,448,015 (JPY 13,827,513)	5,448,015 (JPY 13,827,513)	(Note 2)	100.00%	8,527,001	1,475,794	984,355	-
GWI	GTI	Texas	Epitaxial silicon wafer production and trade of epitaxy foundry business	2,241,668 (USD 73,423)	2,241,668 (USD 73,423)	1	100.00%	3,428,110	48,934	22,042	Note 3
GWafer	GWJ	Japan	Semiconductor silicon wafer manufacturing and trading	5,484,300 (JPY 13,142,798)	5,484,300 (JPY 13,142,798)	128	100.00%	8,518,693	1,092,363	984,623	Note 3

Note 1: The initial investment amount does not include capitalization from earnings.
Note 2: It is a Limited Company
Note 3: The recognition of investment gains and losses includes investment cost and the amortization amount of the net equity acquired.
Note 4: even the merged company does not hold any equity interest in AMLED, per the agreed terms signed it may control the finance and strategy of this company and obtain all interests derived from its operations and net assets. As a consequence AMLED is deemed as a subsidiary of the Company.

Sino-American Silicon Products Inc. and its subsidiaries
The overview of the investments in Mainland China and the limitations of the investments in Mainland China
From January 1 to December 31, 2015

Attachment VIII

(I) Information of investments in Mainland China

Unit: NT$ Thousand

Names of investees in Mainland China	Main Business	Paid-in Capital	Investment Method	The cumulative amount of investment remitted from Taiwan as of the period began	Current remitted or recovered amount of investment		The cumulative amount of investment remitted from Taiwan as of the period began	Net income (loss) of the invested company	The shareholding ratio of Sino-American Silicon Products Inc. in the direct or indirect investments	Investment Profit or Loss for Current Period (Note 2)	Ending investment carrying amount	The investment income received as of the current period
					outbound remittence	Recovered						
Sino-America Silicon Products Inc.	Silicon rods and silicon wafer processing and trade	769,177 (Note 5)	(Note 1)	713,300 USD21,729)	-	-	713,300 USD21,729)	52,891	66.70%	35,278	920,562	-

(II) The limitations of reinvestments in Mainland China

By company	The cumulative amount of investment remitted from Taiwan to Mainland China as of the period ended	Investment amount approved by the Investment Commission MOEAIC	Investment amount approved by the Investment Commission MOEAIC
Globalwafers Co., Ltd.	713,300 (USD21,729)	818,233 (USD25,000)(Note 3)	10,034,758 (Note 4)

Note 1: Investments in China through GSI

Note 2: Investment gains and losses are recognized in accordance with the audited financial statements.

Note 3: Converted in accordance with the historical exchange rates.

Note 4: It is calculated by having the 60% limit stipulated in the “Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China” by the Investment Commission MOEA on August 29, 2008 multiplied by the net worth of Globalwafers Co., Ltd. on December 31, 2015.

Note 5: It included capitalization from earnings.

Sino-American Silicon Products Inc.
Cash and cash equivalents
December 31, 2015

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

Items	Summary	Amount
Cash	Petty cash and cash on hand	$ 522
Bank deposits	Check deposits	3,529
	Demand deposits	203,917
	Foreign currency deposits (USD: $31,502,943.53; CHF: $7,590.44; JPY: $35,794,073; EUR:$752,641.69; RMB: $10,634.14)	1,071,155
	Subtotal	1,278,601
	Total	**$ 1,279,123**

Note: Foreign currency exchange rates at the balance sheet date are as follows:
USD exchange rate: 32.825
CHF exchange rate: 33.185
JPY exchange rate: 0.2727
EUR exchange rate: 35.88
RMB exchange rate: 4.995

Sino-American Silicon Products Inc.
Statement of Notes and Accounts Receivable
December 31, 2015

Unit: NT$ Thousand

Customer Name	Amount
ZHONGHUAN HONG KONG HDDING LIMITED	$ 174,526
AUO Crystal Corp	169,545
KYOCERA CORPORATION	161,287
Tainergy Tech Co., Ltd	130,336
Neo Solar Power Corporation	88,083
AUO	80,582
Motech Industries, Inc.	74,533
Others (individual amount does not exceed 5%)	460,240
	1,339,132
Less: Allowance for bad debt	(49,244)
	$ 1,289,888

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.

Sino-American Silicon Products Inc.
Statement of Inventories
December 31, 2015

Unit: NT$ Thousand

Items	Amount: Costs	Amount: Net realizable value	Remark
Finished goods and products	$ 1,029,317	1,037,315	Reference of net realizable value of inventory
Work-in-process goods	136,428	159,375	Please refer to Notes to the individual financial reports
Raw materials	878,944	789,274	Description in Note 4 (7)
Supplies	183,848	136,228	
Subtotal	2,228,537	2,122,192	
Less: Allowance for inventory losses	(233,341)		
Total	$ 1,995,196		

Statement of other current assets

Items	Amount
Income tax refund receivable	$ 118,503
Tax credits	39,946
Others (individual amount does not exceed 5%)	35,693
	$ 194,142

Sino-American Silicon Products Inc.
Statement of changes in investments under equity method
From January 1 to December 31, 2015

Unit: NT$ Thousand

Invested company name	Beginning balance Shares	Beginning balance Amount	Increase (decrease) in this period Shares	Increase (decrease) in this period Amount	Change of net equity value of subsidiaries and affiliated companies under the equity method (Note 3)	Investment gains and losses	Exchange difference arising from the conversion of a foreign institution's financial statements	Adjustment of actuarial gains and losses recognized by subsidiaries	Other adjustments (Note 4)	Balance - ending Shares	Balance - ending Amount	Shareholding ratio (%)	Guarantee or collateral provided
SSTI	48,526	$ 1,113,723	-	-	-	(5,938)	41,143	-	-	48,52	1,148,928	100.00	None.
Globalwafers Co., Ltd.	301,381	12,532,812	(55,088)	(3,877,063) (Note 1)	875,999	1,518,631	196,052	(13,752)	(77,373)	246,29	11,155,306	66.70	None.
Crystalwise Technology Inc.	84,848	1,892,671	-	(10,182) (Note 2)	1,800	(394,214)	(8,536)	-	6,022	84,84	1,487,561	40.38	None.
Aleo Solar	-	500,986	-	-	-	11,778	(33,377)	-	-	-	479,387	100.00	None.
Sino-American Materials Co., Ltd.	9,000	79,993	-	-	-	(20,476)	-	-	-	9,00	59,517	90.00	None.
Accu Solar Corporation	7,452	112,193	-	-	7,113	-	-	-	-	7,45	119,306	24.70	None.
SAS Sunrise Inc.	-	-	22,235	794,373	-	(26,394)	18,769	-	-	22,23	786,748	100.00	None.
FZtech Inc.	-	-	500	5,000	-	-	-	-	-	50	5,000	100.00	None.
		16,232,378		(3,087,872)	884,912	1,083,387	214,051	(13,752)	(71,351)		15,241,753		
Unrealized gross profit from sales to the affiliated companies	-	1,893	-	(83,845)	-	-	-	-	-	-	(81,952)	-	
Total		$ 16,234,271		(3,171,717)	884,912	1,083,387	214,051	(13,752)	(71,351)		15,159,801		

Note 1: including the disposal of stocks for NT$2,457,803 thousand and cash dividend distributed for NT$1,419,260 thousand.
Note 2: including cash dividend distribution for NT$10,182 thousand.
Note 3: including the remuneration cost of the subsidiary's employee stock options, capital increase by cash to non-controlling interests and premium from capital increase with cash of the subsidiaries.
Note 4: including unrealized gain or loss of the affiliates' financial assets and the un-earned remuneration of the employees.

Sino-American Silicon Products Inc.
Statement of the changes of available-for-sale financial assets - noncurrent
From January 1 to December 31, 2015

Unit: NT$ Thousand

Name of invested company	Beginning balance		Unrealized gains and losses from available-for-sale financial assets	Balance - ending		Guarantee or collateral provided
	Shares	Amount		Shares	Amount	
Solartech Energy Corp.	29,480	$ 619,089	(20,636)	29,480	598,453	None.
Actron Technology Corporation	2,129	239,548	2,129	2,129	241,677	None.
		$ 858,637	(18,507)		840,130	

Sino-American Silicon Products Inc.
Statement of changes of financial assets carried at cost - noncurrent
From January 1 to December 31, 2015

Unit: NT$ Thousand

Name of invested company	Beginning balance		Increase of the year		impairment loss current period		Balance - ending		Guarantee or collateral provided	Cumulative amount of impairment loss
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		
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
Powertec Energy Corporation	84,895	774,936	-	-	-	-	84,895	774,936	None.	-
Sunshine PV Corp.	5,928	84,888	-	2305 (Note)	-	57,826	5,928	29,367	None.	57,826
		$ 867,323		**2305**		**57,826**		**811,802**		**79,336**

Note: prepayment of investment , the procedures of capital increase has not been completed.

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

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

Statement of pre-payment for materials
December 31, 2015

Unit: NT$ Thousand

Supplier Name	Amount
Supplier B	$ 786,936
Supplier C	720,561
Supplier A	242,470
Less: Materials payable due in one year	(439,566)
Total	**$ 1,310,401**

Sino-American Silicon Products Inc.
Statement of Accounts payable
December 31, 2015

Unit: NT$ Thousand

Supplier Name	Amount
OCI COMPANY LTD.	$ 224,310
Zhonghuan Hong Kong Holding Limited	261,986
Sitronix Technology Corporation	112,540
Others (individual amount does not exceed 5%)	738,625
Total	$ 1,337,461

Note: 1. Accounts payable from business activities.
2. Accounts payable to related parties are 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
Bank SinoPac	Working capital	$ 450,000	Note 1	1.13%	12,720	None.
First Bank	Working capital	200,000	Note 1	1.15%	-	None.
Taipei Fubon Bank	Working capital	500,000	Note 1	1.13%	18,000	None.
		$ 1,150,000				

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$1,352,000 thousand available for use.

Sino-American Silicon Products Inc.
Statement of other current liabilities
December 31, 2015

Unit: NT$ Thousand

Items	Summary	Amount
Equipment payable		$ 264,744
Construction projects payable		248,053
Income tax Payable		120,000
Others (individual amount does not exceed 5%)	Lease payable, visa fee payable and utilities payable etc.	433,273
Total		**$ 1,066,070**

Statement of Long-term debt payable

Please refer to Note 6 (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, 2015

Unit: NT$ Thousand

Customer Name	Amount
Solartech Energy Corp.	$ 962,788
B Company	273,348
G Company	266,954
H Company	218,353
F Company	91,339
Others (individual amount does not exceed 5%)	20
	1,812,802
Less: portion of long-term advances that will be due in one year	(268,439)
Total	**$ 1,544,363**

Operating income statement
From January 1 to December 31, 2015

Items	Sales volume	Amount
Sales revenue:		
Solar energy - silicon wafer	165,851 thousand pieces	$ 4,741,481
Solar energy - rod	87,124 thousand kilograms	69,112
Solar energy - battery	73,232 thousand pieces	3,244,144
Solar energy - modules	189 thousand pieces	1,125,541
Revenues from sale of goods and raw materials		2,169,083
		11,349,361
Processing revenue		566,211
Services		396
Net operating income		**$ 11,915,968**

Sino-American Silicon Products Inc.
Statement of Operating Cost
From January 1 to December 31, 2015

Unit: NT$ Thousand

Items	Amount
Beginning inventory - Finished goods	$ 106
Add: purchase in this period	3,240,407
Realized loss from sales to affiliated companies	36,395
Minus: various expenses reclassified	55
Less: Ending inventory	3,130
Cost of goods purchased and sold	3,273,723
Raw material consumption	
Beginning raw materials	753,071
Add: material purchased in this period	13,311,279
Work-in-process goods transferred for processing	2,188,152
Less: Ending raw materials	1,062,792
Expenses reclassified	1,205,216
Sale in this period	1,614,613
Consumption of raw materials in this period	12,369,881
Direct labor	709,977
Manufacturing expenses	3,165,235
Manufacturing cost	16,245,093
Add: Beginning WIP goods	188,230
Finished goods transferred for rework	141,234
Less: Ending WIP goods	136,428
WIP goods transferred for rework	2,188,152
Costs of finished goods	14,249,977
Add: Beginning finished goods	647,529
Other	5,132
Less: finished goods at end of period	1,026,187
Finished goods transferred for rework	141,234
Cost of finished goods sold	13,735,217
Cost of goods sold	17,008,940
Add: Cost of raw materials sold	1,614,613
Unamortized fixed manufacturing expense	169,755
Appropriation for inventory loss in valuation	32,182
Onerous contract loss recognized	177,539
Less: processing on order	7,063,240
Realized profit and offset from sales to affiliated companies	3,027
Total operating cost	**$ 11,936,762**

Sino-American Silicon Products Inc.
Statement of operating expense
From January 1 to December 31, 2015

Unit: NT$ Thousand

Items	Marketing expense	General and administrative expenses	R&D expense
Salary expenses	$ 19,164	62,782	72,580
Import/export expenses	5,457	-	20
Freight charges	8,766	15	312
Utilities expenses	1,109	6,320	12,518
Depreciation	596	19,441	42,206
Inspection and testing expenses	-	-	20,828
Indirect materials	19	-	23,372
Remuneration to directors and supervisors	-	13,160	-
Sampling expenses	2,697	-	-
Labor service fees	-	14,382	9,625
Others (individual amount does not exceed 5%)	11,467	31,219	30,406
Total	**$ 49,275**	**147,319**	**211,867**

Sino-American Silicon Products Inc.
Statement of other incomes and losses
From January 1 to December 31, 2015

Please refer to Note 6 (23) to the individual financial statements for detail of “other income or loss”.

Statement of finance cost

Please refer to Note 6 (24) to the individual financial statements for details of “finance cost”.

Employee benefits, depreciation, depletion, and amortization expenses summarized by functions.

Please refer to Note 12 for details of “Employee benefits, depreciation, depletion, and amortization expense”.