Attachment 2

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Sino-American Silicon Products Inc., which comprise the balance sheets as of December 31, 2018 and 2017, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the standalone financial statements, including a summary of significant accounting policies.

In our opinion, based on the audit results of the accountant and the audit report of other accountants the accompanying standalone financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC"), and the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Other matters

Among the investments included in Sino-American Silicon Products Inc. under equity method, the financial statements of Crystalwise Technology Inc. have not been checked by the accountant and have been checked by other accountants. Therefore, among the opinions expressed by the accountant on the standalone financial statements, the amount booked in the financial statements of is based on the audit report of other accountants. The amount of investment in Crystalwise Technology Inc. under equity method was 0.4% and 1% of the total assets respectively On December 31, 2018 and 2017. The share of gain or loss of related companies under equity method for 2018 and from January 1 to December 31, 2017 accounted for (20)% and (25)% of the net profit before tax respectively.

The consolidated company has prepared standalone financial statements for 2018 and 2017, and the audit report issued by the accountant with unqualified opinions plus other matters is available for reference.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of Sino-American Silicon Products Inc.'s financial statements of the current period. These matters were addressed in the context of our audits of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Based on our judgment, the key audit matters that should be disclosed in this audit report are as follows:

1. Assessment of impairment loss on property, plant and equipment

For the accounting policy of asset impairment, please refer to Note 4 (13) of the standalone financial statements for impairment of non-financial assets; for accounting hypothesis and estimated uncertainty of assessment of impairment loss on property, plant and equipment, please refer to Note 5 of the standalone financial statements. For notes to the assessment of impairment loss on property, plant and equipment, please refer to Note 6 (12) of the standalone financial statements.

Description of key audit matters:

The industry of Sino-American Silicon Products Inc. is subjected to fluctuations due to the market environment and the energy policies of various governments, with fierce market competition and continuous price drop of products. Therefore, the assessment of impairment loss on property, plant and equipment is important; the asset impairment assessment includes Identifying the cash-generating unit, determining the evaluation method, selecting important assumptions, and calculating the recoverable amount that must rely on the subjective judgment of the management. The evaluation process is complicated and contains the subjective judgment of the management. Therefore, the accountant booked it as one of the important audit matters.

Audit procedure implemented:

The principal audit procedures for the above key audit matters by the accountant include: assessing the reasonableness whether the cash-generating unit and its related tested assets that Sino-American Silicon Products Inc. management has identified to impair show possible signs of impairment, and further understanding and testing the evaluation models and key assumptions such as future cash flow projections, use period and weighted average cost of capital that the management use in the impairment test, including expected product Revenue, costs and expenses, and assessing the accuracy of previous management forecasts; and carrying out sensitivity analysis of results. Furthermore, the management authority is also consulted on relevant procedures in order to identify whether there will be matters capable of affecting the impairment test result in the future after the financial statements. And assess whether Sino-American Silicon Products Inc. has properly disclosed the policy of long-term non-financial asset impairment and other related information

2. Evaluation of investments under equity method

For the accounting policies of the assessment of the investment under equity method, please refer to Note 4 (8) Investment-related enterprises and Note 4 (9) Investment in Subsidiaries in the standalone Financial statements; for the assessment of the investment under equity method, please refer to Note 6 of the standalone Financial statements (10) Investment under equity method and Note 6 (11) Changes in the equity of ownership of the subsidiary.

Description of key audit matters:

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

Audit procedure implemented:

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing Sino-American Silicon Products Inc. Co. ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing Sino-American Silicon Products Inc. Co. financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statement

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

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

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sino-American Silicon Products Inc. Co. internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Sino-American Silicon Products Inc. Co. ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Sino-American Silicon Products Inc. Co. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of Sino-American Silicon Products Inc. Co. audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 21, 2019

Sino-American Silicon Products Inc.
Standalone Balance Sheets
December 31, 2018 and 2017

Expressed in thousands of New Taiwan Dollars

		2018.12.31		2017.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current Assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 851,304	3	673,428	2
1110	Financial assets at fair value through profit or loss— current (Note 6(2))	87,053	-	-	-
1170	Notes and accounts receivable, net (Note 6 (5))	471,498	1	728,986	2
1180	Accounts receivable due from related parties, net (Note 7)	1,166,545	3	1,518,914	5
130X	Inventories (Note 6(6))	590,170	2	2,234,785	6
1421	Prepayments for purchase of materials (Notes 7 and 9)	536,783	2	269,441	2
1470	Other current assets	83,492	-	119,977	-
		3,786,845	11	5,545,531	17
	Non-current Assets:				
1523	Available for sale financial assets – non-current (Note 6(7))	-	-	685,194	2
1527	Held-to-maturity financial assets - non-current (Notes 6 (8) and 7)	-	-	281,366	1
1543	Financial assets measured at cost, net - non-current (Note 6 (9))	-	-	298,640	1
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (3))	801,006	2	-	-
1535	Financial assets measured at amortized cost - non-current (Notes 6 (4) and 7)	281,366	1	-	-
1550	Investments accounted for using equity method (Note 6 (10) and (11))	25,883,438	75	20,988,678	60
1600	Property, plant and equipment (Note 6 (12) and 8)	3,589,549	11	6,333,415	18
1900	Other non-current assets (Note 6 (17))	117,213	-	178,030	-
1980	Other financial assets – non-current (Note 8)	33,482	-	19,805	-
1995	Long-term prepaid materials (Note 9)	-	-	521,540	1
		30,706,054	89	29,306,668	83
	Total assets	**$ 34,492,899**	**100**	**34,852,199**	**100**

		2018.12.31		2017.12.31	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current Liabilities:				
2100	Short-term borrowings (Note 6 (13))	$ 2,717,125	8	2,364,913	7
2130	Contract liabilities-current (Note 6 (22), 7 and 9)	148,713	-	-	-
2170	Notes and accounts payable	431,425	1	1,043,113	3
2180	Accounts payable to related parties (Notes 7 and 9)	6,464	-	4,740	-
2201	Payroll and bonus payable	284,009	1	323,170	1
2310	Advance sales receipts - curent (Notes 7 and 9)	-	-	287,517	1
2399	Other current liabilities	349,260	1	466,882	1
		3,936,996	11	4,490,335	13
	Non-current Liabilities:				
2527	Contract liabilities-non-current (Note 6 (22), 7 and 9)	1,103,030	3	-	-
2540	Long-term borrowings (Note 6 (14))	1,610,200	5	1,360,000	4
2600	Other non-current liabilities (Note 6 (15), (17) and (18))	960,957	3	443,351	1
2670	Advance sales receipts -Non-current(Note 7 and 9)	-	-	1,417,641	4
		3,674,187	11	3,220,992	9
	Total liabilities	7,611,183	22	7,711,327	22
	Equity (Note 6 (19)):				
3110	Ordinary shares	5,863,207	17	5,920,587	18
3170	Pending share capital	(330)	-	-	-
		5,862,877	17	5,920,587	18
3200	Capital surplus	21,757,292	63	24,205,831	69
	Retained earnings:				
3310	Legal reserve	311,579	1	311,579	1
3320	Special reserve	513,302	1	513,302	1
3350	Undistributed retained earnings (accumulated loss)	1,507,753	5	(317,629)	(1)
		2,332,634	7	507,252	1
3400	Other equity interest	(3,071,087)	(9)	(3,322,937)	(10)
3500	Treasury share	-	-	(169,861)	-
	Total equity	26,881,716	78	27,140,872	78
	Total liabilities and equity	**$ 34,492,899**	**100**	**34,852,199**	**100**

(The accompanying notes are an integral part of the standalone financial statements.)

Sino-American Silicon Products Inc.
Standalone Statement of Comprehensive Income
For the years ended December 31, 2018 and 2017
Expressed in thousands of New Taiwan dollars

		2018		2017	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue** (Note 6 (22), (23) and 7)	$ 8,430,747	100	11,282,980	100
5000	**Operating cost**(Note 6(6), (12) and 7)	12,218,087	145	11,959,612	106
	Gross profit from operations	(3,787,340)	(45)	(676,632)	(6)
	Operating expenses (Note 6 (5), (24), (30) and 7):				
6100	Selling expenses	65,558	1	66,787	1
6200	Administrative expenses	186,847	2	143,398	1
6300	Research and development expenses	182,406	2	203,724	2
6450	Impairment loss determined in accordance with IFRS 9 (Note 6 (5) and 7)	48,770	1	-	-
	Total operating expenses	483,581	6	413,909	4
	Net operating income	(4,270,921)	(51)	(1,090,541)	(10)
	Non-operating income and expenses:				
7010	Other Revenue (Note 6 (25) and 7)	53,020	1	50,152	-
7020	Other gains and losses, net (Note 6 (26) and 7)	(147,429)	(2)	(162,855)	(1)
7050	Financial costs (Note 6 (27))	(39,688)	-	(46,537)	-
7060	Shares of profit of subsidiaries, associates and joint ventures accounted for using equity method (Note 6 (10))	6,430,774	76	2,275,232	20
		6,296,677	75	2,115,992	19
7900	**Income before income tax**	2,025,756	24	1,025,451	9
7950	**Income tax expenses** (Note 6 (18))	75,253	1	(10,054)	-
	Net income for the year	1,950,503	23	1,035,505	9
8300	**Other comprehensive income (loss):**				
8310	**Items that may not be reclassified subsequently to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (Note 6 (17))	(13,994)	-	(153)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 6 (19))	(529,832)	(6)	-	-
8330	Share of other consolidated profit and loss of subsidiaries under equity method (Note 6(17))	(93,347)	(1)	212,773	2
		(637,173)	(7)	212,620	2
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations (Note 6 (19))	385,988	4	(76,543)	(1)
8362	Unrealized gains or losses on valuation of financial assets available for sales (Note 6 (19))	-	-	23,914	-
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method (Note 6 (28))	(100,360)	(1)	(236,832)	(2)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6 (18))	5,267	-	13,012	-
	Total Items that may be reclassified subsequently to profit or loss	290,895	3	(276,449)	(3)
8300	**Other comprehensive income (after tax)**	(346,278)	(4)	(63,829)	(1)
	Total comprehensive income	**$ 1,604,225**	**19**	**971,676**	**8**
	Basic earnings per share (NT dollars) (Note 6 (21))				
9750	Basic earnings per share	**$**	**3.36**		**1.80**
9850	Diluted earnings per share	**$**	**3.34**		**1.79**

(The accompanying notes are an integral part of the standalone financial statements.)

Sino-American Silicon Products Inc.
Standalone Statement of Changes in Equity
For the years ended December 31, 2018 and 2017

Expressed in thousands of New Taiwan Dollars

				Retained earnings				Other equity interest							
	Ordinary shares	Pending share capital	Capital surplus	Legal reserve	Special reserve	Undistributed retained earnings (Accumulated loss)	Total	Exchange differences on translation of foreign financial statements	Financial assets at fair value through other comprehensive income	Unrealized gains (losses) on available for sale financial assets	Employees' unearned remuneration	Other	Total	Treasury shares	Total Equity
Balance at January 1, 2017	$ 5,800,312	-	18,821,483	311,579	513,302	(1,565,754)	(740,873)	(1,617,512)	-	(1,188,654)	-	(6,354)	(2,812,520)	(169,861)	20,898,541
Net income for the year	-	-	-	-	-	1,035,505	1,035,505	-	-	-	-	-	-	-	1,035,505
Other comprehensive income for the year	-	-	-	-	-	212,620	212,620	(355,822)	-	79,373	-	-	(276,449)	-	(63,829)
Total comprehensive income	-	-	-	-	-	1,248,125	1,248,125	(355,822)	-	79,373	-	-	(276,449)	-	971,676
Cash dividends distribution from capital surplus	-	-	(861,714)	-	-	-	-	-	-	-	-	-	-	-	(861,714)
Employees execute stock options to issue new shares	60,625	-	234,013	-	-	-	-	-	-	-	-	-	-	-	294,638
Share of net worth changes of subsidiaries, associates and joint ventures accounted for using equity method	-	-	5,670,627	-	-	-	-	-	-	-	-	2,052	2,052	-	5,672,679
Shares issued with restrictions on employee rights	60,000	-	343,200	-	-	-	-	-	-	-	(283,200)	-	(283,200)	-	120,000
Remuneration coast of shares with restrictions on employee rights	-	-	-	-	-	-	-	-	-	-	45,752	-	45,752	-	45,752
Shares with restrictions on employee rights written-off	(350)	-	(1,778)	-	-	-	-	-	-	-	1,428	-	1,428	-	(700)
Balance at December 31, 2017	5,920,587	-	24,205,831	311,579	513,302	(317,629)	507,252	(1,973,334)	-	(1,109,281)	(236,020)	(4,302)	(3,322,937)	(169,861)	27,140,872
Effects of retrospective application of new accounting standards	-	-	-	-	-	1,222,787	1,222,787	-	(2,338,298)	1,109,281	-	-	(1,229,017)	-	(6,230)
Balance at January 1, 2018 after adjustments	5,920,587	-	24,205,831	311,579	513,302	905,158	1,730,039	(1,973,334)	(2,338,298)	-	(236,020)	(4,302)	(4,551,954)	(169,861)	27,134,642
Net income for the year	-	-	-	-	-	1,950,503	1,950,503	-	-	-	-	-	-	-	1,950,503
Other comprehensive income for the year	-	-	-	-	-	(107,341)	(107,341)	387,093	(626,030)	-	-	-	(238,937)	-	(346,278)
Total comprehensive income	-	-	-	-	-	1,843,162	1,843,162	387,093	(626,030)	-	-	-	(238,937)	-	1,604,225
Loss made up by capital surplus	-	-	(317,629)	-	-	317,629	317,629	-	-	-	-	-	-	-	-
Cash dividends distribution from capital surplus	-	-	(1,759,511)	-	-	-	-	-	-	-	-	-	-	-	(1,759,511)
Share of net worth changes of subsidiaries, associates and joint ventures accounted for using equity method	-	-	(245,680)	-	-	-	-	-	-	-	-	922	922	-	(244,758)
Treasury share cancellation	(55,550)	-	(114,311)	-	-	-	-	-	-	-	-	-	-	169,861	-
Received by gift	-	-	239	-	-	-	-	-	-	-	-	-	-	-	239
Remuneration coast of shares with restrictions on employee rights	-	-	(9,487)	-	-	-	-	-	-	-	160,686	-	160,686	-	151,199
Restrictions on employee rights invalid, pending for cancellation	(1,830)	(330)	(2,160)	-	-	-	-	-	-	-	-	-	-	-	(4,320)
Dispose of equity instruments measured at fair value through other comprehensive gains and losses	-	-	-	-	-	(1,558,196)	(1,558,196)	-	1,558,196	-	-	-	1,558,196	-	-
Balance at December 31, 2018	$ 5,863,207	(330)	21,757,292	311,579	513,302	1,507,753	2,332,634	(1,586,241)	(1,406,132)	-	(75,334)	(3,380)	(3,071,087)	-	26,881,716

(The accompanying notes are an integral part of the standalone financial statements.)

Sino-American Silicon Products Inc.
Standalone Statement of Cash Flow
For the years ended December 31, 2018 and 2017
Expressed in thousands of New Taiwan dollars

		2018	2017
Cash flows from operating activities:			
Income before income tax	$	2,025,756	1,025,451
Adjustments:			
Adjustments to reconcile profit (loss)			
Depreciation expense		981,913	1,034,098
Expected credit losses / Provisions for bad debt expense		48,770	-
Net gains on financial assets or liabilities at fair value through profit or loss		11,291	-
Interest expenses		39,688	46,537
Interest income		(38,034)	(35,206)
Dividend income		(14,986)	(14,946)
Share-based payment remuneration cost		151,199	45,752
Share of interests of subsidiaries and affiliates under equity method		(6,430,774)	(2,275,232)
Gains on disposal of property, plant and equipment		41,421	(3,568)
Financial asset impairment loss		-	69,501
Allowance (reversal) for inventory valuation and obsolescence loss		66,125	(130,275)
Non-financial asset impairment loss		1,466,008	-
Other net loss without affecting cash flow		-	(9,837)
Total adjustments		(3,677,379)	(1,273,176)
Changes in operating assets and liabilities:			
Notes and accounts receivable (including related parties)		282,083	86,970
Inventories		1,584,411	(89,732)
Prepayments for purchase of materials		512,843	532,935
Other current assets		37,716	11,799
Notes and accounts payable (including related parties)		(609,964)	(335,349)
Provisions		533,292	-
Contract liabilities/Advance sales receipts		(453,415)	(18,302)
Net defined benefit liabilities		(31,699)	(5,536)
Other operating liabilities		(207,964)	156,808
Total changes in operating assets and liabilities		1,647,303	339,593
Total adjustments		(2,030,076)	(933,583)
Cash inflow generated from operations		(4,320)	91,868
Interest received		37,951	35,206
Dividends received		14,986	14,946
Interest paid		(39,788)	(47,931)
Income taxes paid		(4,660)	(1,071)
Net cash flows from operating activities		4,169	93,018

(Continued on next page)

(The accompanying notes are an integral part of the standalone financial statements.)

Sino-American Silicon Products Inc.
Standalone Statement of Cash Flow (continued from previous page)
For the years ended December 31, 2018 and 2017
Expressed in thousands of New Taiwan dollars

	2018	2017
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(205,059)	-
Acquisition of financial assets at fair value through profit or loss	(98,344)	-
Loan receivable – related party	283,527	(664,114)
Proceeds from disposal of property, plant and equipment	(1,081,006)	(449,000)
Cash dividends from investments accounted for equity method	2,226,116	555,732
Acquisition of property, plant and advance payments received for equipment	(414,734)	(241,189)
Proceeds from disposal of property, plant and equipment	638,064	17,368
Restricted assets and refundable deposits reduced	(13,677)	4,831
Net cash inflow (outflow) from investment activities	1,334,887	(776,372)
Cash flows from financing activities:		
Decrease in short term borrowings	352,212	604,913
Increase in long term borrowings	596,000	5,710,000
Repayments of long term borrowings	(345,800)	(7,090,000)
Cash dividends distribution from capital surplus	(1,759,511)	(861,714)
Shares issued with restrictions on employee rights	-	120,000
Employees execute stock options	-	294,638
Shares with restrictions on employee rights written-off	(4,320)	(700)
Received by gift	239	-
Net cash flows used in financing activities	(1,161,180)	(1,222,863)
Net increase (decrease) in cash and cash equivalents	177,876	(1,906,217)
Cash and cash equivalents at beginning of period	673,428	2,579,645
Cash and cash equivalents at end of period	$ **851,304**	**673,428**

(The accompanying notes are an integral part of the standalone financial statements.)

Sino-American Silicon Products Inc.
Notes to standalone financial statements
For the years ended December 31, 2018 and 2017
(Expressed in NT$ Thousand unless otherwise stated)

1. Company history

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, Science Based Industrial Park, Hsinchu, 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$ 38.5 per share for acquiring 180,000 thousand shares at NT$ 10 par value of GlobalWafers; also, based on the sapphire business net assets shall pay a price of NT$ 40 per share for acquiring 40,000 thousand shares at NT$ 10 par value of Sino Sapphire.

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

The shares of GlobalWafers were approved for trading over the counters through the Taiwan Stock Exchange. They were booked on the counters on September 25, 2015 and were closed for trading over emerging counters the same day.

2. Approval date and procedures of the standalone financial statements

These standalone financial statements were authorized for issuance by the board of directors on March 21, 2019.

3. New standards, amendments and interpretations adopted

(1) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2018:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendment to IFRS 2 “Classification and Measurement of Share-based Payment Transactions”	January 1, 2018
Amendments to IFRS 4 “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts”	January 1, 2018
IFRS 9 “Financial Instruments”	January 1, 2018
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
Amendment to IAS 7 “Statement of Cash Flows -Disclosure Initiative”	January 1, 2017
Amendment to IAS 12 “Income Taxes- Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017
Amendments to IAS 40 “Transfers of Investment Property”	January 1, 2018
Annual Improvements to IFRS Standards 2014–2016 Cycle:	
Amendments to IFRS 12	January 1, 2017
Amendments to IFRS 1 and Amendments to IAS 28	January 1, 2018
IFRIC 22 “Foreign Currency Transactions and Advance Consideration”	January 1, 2018

Except for the following items, the Company believes that the adoption of the above IFRSs would not have any material impact on its standalone financial statements. The extent and impact of signification changes are as follows:

1. IFRS 15 “Revenue from Contracts with Customers”

The standard replaces IAS No. 18 “Revenue” and IAS No.11 “Construction Contracts” and related interpretations. The single analysis model determines the method, time and amount of revenue recognition by the company in five steps. The Company adopts the cumulative impact method for the application of Revenue from Contracts with Customers in IFRS 15. Therefore, the comparative information of previous periods does not need to be rewritten and continues to apply IAS 18, IAS 11 and related interpretations. The cumulative effect of the initial application of IFRS 15 is to adjust the retained earnings on January 1, 2018.

The nature and impact of this accounting policy change are as follows:

(1) Sales of goods

For the sale of products, in the past, there was evidence of persuasiveness (usually a signed customer order) and the significant risks and rewards of ownership have been transferred to the buyer, and the revenue was recognized at that time. At this point in time, the customer has accepted the product and the significant risks and rewards of the relevant ownership have been transferred to the customer. The revenue and cost can be reliably measured, the consideration is likely to be recovered, and the management of the commodity is no longer continued. Under IFRS No. 15, revenue is recognized when a customer gains control over a product.

(2) Providing labor services

The Company provides labor services to its customers. If the labor service in a single agreement is provided during different reporting periods, in the past, the consideration was paid to different services based on the relative fair value, and the labor service revenue was recognized according to the completion ratio method. Under IFRS No. 15, the consideration for the overall service contract is based on the relative individual selling price of the labor service. The company determines the individual selling price based on the price at which the labor is sold separately.

(3) Impact on standalone financial statements

The impact of the Company's adjustment of retained earnings on January 1, 2018 due to the first application of IFRS15 was NT$ 0, which had no significant impact on the Company's standalone personal financial statements for 2018.

2. IFRS 9 “Financial Instruments”

IFRS 9 replaces IAS 39 “Financial Instruments: Recognition and Measurement” which contains classification and measurement of financial instruments, impairment and hedge accounting.

As a result of the adoption of IFRS 9, the Company adopted the consequential amendments to IAS 1 “Presentation of Financial Statements”, which requires impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Company’s approach was to include the impairment of trade receivables in operating expenses. Additionally, the Company adopted the consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but generally have not been applied to comparative information.

The significant changes in accounting policies resulting from the application of IFRS 9 by the Company are as follows:

(1) Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification. For an explanation of how the Company classifies and measures financial assets and accounts for related gains and losses under IFRS 9, please see note 4(6).

The adoption of IFRS 9 did not have any a significant impact on the Company’s accounting policies on financial liabilities.

(2) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with the 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVTOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than they are under IAS 39, please see note 4(6).

(3) Transition

The adoption of IFRS 9 have been applied retrospectively, except as described below:

- Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognized in retained earnings and other equity interest as on January 1, 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9, and therefore, is not comparable to the information presented for 2018 under IFRS 9.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:
  - The determination of the business model within which a financial asset is held.
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
  - The designation of certain investments in equity instruments not held for trading as at FVTOCI.
- If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Company assumed that the credit risk on its asset will not increase significantly since its initial recognition.

(4) Classification of financial assets on the date of initial application of IFRS 9

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as of January 1, 2018:

	IAS 39		IFRS 9	
	Measurement categories	**Carrying Amount**	**Measurement categories**	**Carrying Amount**
Financial Assets				
Cash and cash equivalents	Loans and receivables	$ 673,428	Amortized cost	673,428
Debt instrument investment	Hold to maturity date	281,366	Amortized cost	281,366
Equity instruments	Available-for-sale	685,194	FVTOCI	685,194
Equity instruments	Financial assets measured at cost - non-current (Note)	298,640	FVTOCI	292,410
Account and other receivables, net (including related parties)	Loans and receivables	2,247,900	Amortized cost	2,247,900
Other financial assets - current and non-current	Loans and receivables	20,556	Amortized cost	20,556

Note: These equity instruments represent investments in which the Company intends to hold long-term strategies. In accordance with IFRS 9, the

Company specifies that the investment is classified as measured at fair value through other comprehensive gain or loss on the initial application date. Therefore, on January 1, 2018, the carrying amount of these assets decreased by NT$ 6,230 thousands, and other equity items and retained earnings decreased by NT$ 1,229,017 thousands and increased by NT$ 1,222,787 thousands respectively.

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 upon transition to IFRS 9 on 1 January, 2018:

	2017.12.31 IAS 39 Carrying Amount	Reclassification	Remeasurement	2018.1.1 IFRS 9 Carrying Amount	2018.1.1 Retained earnings	2018.1.1 Other equity
Investments accounted for using equity method	$ 20,988,678	-	(6,230)	20,982,448	-	-
Fair value through other comprehensive income						
Available for sale (including measured at cost) IAS 39 the amount of the beginning of the period	$ 983,834	-	-	983,834	1,222,787	(1,229,017)
Financial assets measured at amortized cost						
Cash and cash equivalents, holdings to maturities, receivables and other financial assets IAS 39 the amount of the beginning of the period	$ 3,223,250	-	-	3,223,250	-	-

There is no impact on the earnings per share in 2018 and 2017 due to the change.

3. Amendments to IAS 7 “Disclosure Initiative”

The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

To satisfy the new disclosure requirements, the Company presents a reconciliation between the opening and closing balances for liabilities with changes arising from financing activities at note 6(32).

(2) The impact of IFRS endorsed by FSC but not yet effective

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning, or after, January 1, 2019 in accordance with Ruling No. 1070324857 issued by the FSC on July 17, 2018:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
IFRS 16 “Leases”	January 1, 2019
IFRIC 23 “Uncertainty over Income Tax Treatments”	January 1, 2019
Amendments to IFRS 9 “Prepayment features with negative compensation”	January 1, 2019
Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”	January 1, 2019
Amendments to IAS 28 “Long-term interests in associates and joint ventures”	January 1, 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	January 1, 2019

Except for the following items, the Company believes that the adoption of the above IFRSs would not have any material impact on its standalone financial statements. The extent and impact of signification changes are as follows:

IFRS 16 Leases

IFRS 16 replaces the existing leases guidance, including IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC 15 "Operating Leases–Incentives" and SIC 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

IFRS 16 introduces a single and an on balance sheet lease accounting model for lessees. A lessee recognizes a right of use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In addition, the nature of expenses related to those leases will now be changed since IFRS 16 replaces the straight line operating lease expense with a depreciation charge for right of use assets and interest expense on lease liabilities. There are recognition exemptions for short term leases and leases of low value items. The lessor accounting remains similar to the current standard – i.e. the lessors will continue to classify leases as finance or operating leases.

(1) Determining whether an arrangement contains a lease

On transition to IFRS 16, the Company can choose to apply either of the following:

- IFRS 16 definition of a lease to all its contracts; or
- A practical expedient that does not need any reassessment whether a contract is, or contains, a lease.

The Company plans to apply the practical expedient to grandfather the definition of a lease upon transition. This means that it will apply IFRS 16 to all contracts entered into before January 1, 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

(2) Transition

As a lessee, the Company can apply the standard using either of the following:

- Retrospective approach; or
- Modified retrospective approach with optional practical expedients.

The Company expects to adopt a revised retrospective transition to the new standard. Therefore, the adoption of the new standard has no effect on the retained earnings on January 1, 2019, without rewriting the comparative period information.

When applying the modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease by lease basis, whether to apply a number of practical expedients on transition. The Company chooses to elect the following practical expedients:

- Apply a single discount rate to a portfolio of leases with similar characteristics;
- Adjust the right of use assets, based on the amount reflected in IAS 37 onerous contract provision, immediately before the date of initial application, as an alternative to an impairment review;
- Apply the exemption not to recognize the right of use assets and liabilities to leases with lease term that ends within 12 months of the date of initial application;
- Use hindsight when determining the lease term if the contract contains

options to extend or terminate the lease.

(3) Up to now, the Company assesses that the most significant impact of the application of the new standards is the right to use assets and lease liabilities for the current operating lease of office, factory buildings and storage locations. It is estimated that the above differences may make the right to use assets and lease liabilities on January 1, 2019 increase by NT$ 180,137 thousands; in addition, the Company expects that the application of the new standard will not affect the compliance capability of the maximum number of financing leverages agreed in its loan contract.

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC.

New, Revised or Amended Standards and Interpretations	The effective date announced by the IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	To be decided by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its standalone financial position and standalone financial performance. The results thereof will be disclosed when the Company completes its evaluation.

4. Summary of significant accounting policies

The significant accounting policies presented in the standalone financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the standalone financial statements.

(1) Statement of compliance

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

(2) Basis of preparation

1. Basis of measurement

Expect for the following significant accounts, the standalone financial statements have been prepared on a historical cost basis:

(1) Financial instruments measured at fair value through profit or loss are measured at fair value;

(2) Financial assets at fair value (available for sale) through other comprehensive gains and losses as measured at fair value;

(3) Ensure the defined benefit liability recognized is the net of pension assets less the

present value of defined benefit obligation and limit on a defined benefit in Note 4 (17).

2. Functional and presentation currency

The Company's functional currency in the currency of the main economic environment in which it operates. This standalone financial statements is expressed in the Company's functional currency, New Taiwan Dollar. All financial information presented in NT dollars is expressed in NT$ thousand.

(3) Foreign currencies

1. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currencies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the last date of reporting period (hereinafter referred as “the reporting date”) are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period adjusted for the effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of transaction.

Except foreign currency exchange differences arising from conversion of monetary (available for sale) equity instruments measured at fair value through other comprehensive gain or loss are recognized in other comprehensive gain or loss, the rest are recognized as profit and loss.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Taiwan Dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to New Taiwan Dollars at the average rate. Foreign currency differences are recognized in other comprehensive income.

(4) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

1. Expected to be realized during its normal business cycle, or intended to be sold or consumed;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. Cash or cash equivalents, except for those who are subject to other restrictions on the exchange of assets or liquidation of debts within less than twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;

3. It is due to be settled within twelve months after the reporting period; or
4. Liabilities that do not have the right to unconditionally defer the settlement period for at least 12 months. 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.

(5) Cash and cash equivalents

Cash comprises cash and cash in bank. Cash equivalents are short term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and held for the purpose of meeting short term cash commitments rather than for investment or other purposes are classified as cash equivalents.

(6) Financial instruments

1. Financial assets (policy applicable from January 1, 2018)

Financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVTOCI), and fair value through profit or loss (FVTPL).

The Company shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

(1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. The purchase or sales of financial assets in ordinary course of business is handled in accordance with the accounting treatment of the trading date.

(2) Fair value through other comprehensive income (FVTOCI)

Debt instrument investment meeting the following conditions and not specified to be measured at fair value through gain or loss, are measured at fair value through other comprehensive gain or loss

- Holds the financial asset in a business model for the purpose of collecting contractual cash flows and selling.
- The cash flow of on a specific date of the contractual terms of the financial asset is solely the interest paid on the principal and the amount of the outstanding principal.

The Company may make an irrevocable selection when the original recognition is made, and the subsequent fair value changes of the investment in equity instruments that are not held for trading are presented in other comprehensive gain or loss. The aforementioned selections are made on a case-by-case basis.

The initial recognition is measured at fair value plus directly attributable transaction costs; subsequently measured at fair value, except for foreign currency exchange gain or loss of debt instrument investment, Interest income calculated by effective interest method, and impairment loss and equity instrument investment Dividend income (except for the recovery of the portion of the investment costs) that are recognized in other comprehensive gain or loss, changes in the remaining carrying amount are recognized as other comprehensive gains and losses, accumulated as unrealized profit and loss of financial assets measured at fair value through other comprehensive gain or loss under the equity item. At the time of derecognition, a debt instrument investor reclassifies the accumulated interest or loss under equity to gain or loss; An equity instrument investor reclassifies the accumulated interest or loss under equity to retained earnings and does not reclassify to gain or loss. The purchase or sales of financial assets in ordinary course of business is handled in accordance with the accounting treatment of the trading date.

Dividend income from equity investments is recognized on the date on which the Company has the right to receive dividends (usually the ex-dividend date).

(3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVTOCI described as above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVTOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

When the initial recognition is measured at fair value, the transaction costs are recognized as gain or loss when incurred; subsequently, measured at fair value, the gain or loss (including related Dividend income and Interest income) generated by remeasurement is recognized as gain or loss. The purchase or sales of financial assets in ordinary course of business is handled in accordance with the accounting treatment of the trading date.

(4) Assess whether the contractual cash flow is entirely for the payment of the principal and interest on the outstanding principal amount

For the purpose of assessment, the principal is the fair value of the financial assets at the time of initial recognition. The interest consists of the following considerations: the time value of money, the credit risk associated with the amount of the outstanding principal in a specified period, and other basic loan risks and costs, and margin of profit.

To assess whether the contractual cash flow is entirely for the payment of the principal and interest on the outstanding principal amount, the Company considers the terms of the financial instrument contract, including assessing whether the financial asset contains a contractual term that changes the time point or amount of the contractual cash flow, resulting not meeting this condition. At the time of evaluation, the Company consider:

- Any contingency that would change the point or amount of the contractual cash flow;
- The terms that adjust the contractual coupon rate, including the characteristics of the variable interest rate;
- Early repayment and extension features; and
- The Company's claim is limited to terms derived from the cash flow of a

particular asset (e.g. non-recourse characteristics).

(5) Impairment of financial assets

The Company recognizes the allowance for the expected credit losses of financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes receivable and accounts receivable, refundable deposits and other financial assets, etc.) and contractual assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12 month ECL:

- Debt securities that are determined to have low credit risk at the reporting date；and
- The credit risk of other debt securities and bank deposits (i.e., The risk of default on the expected duration of the financial instruments) has not increased significantly since the initial recognition.

The allowance for receivables and contractual assets is measured at the amount of expected credit losses during the lifetime.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company’s historical experience and informed credit assessment, as well as forward looking information.

If the credit risk rating of a financial instrument is equivalent to the “investment grade” defined by the world (for S&P's investment grade BBB-, Moody's investment grade Baa3 or Taiwan Ratings investment grade twA, or higher than this grade, the Company considers the debt securities to have a low credit risk.

If the contract amount is overdue for more than 30 days, the Company assumes that the credit risk of the financial assets has increased significantly.

If the contract amount is overdue for more than 180 days, or the borrower is unlikely to perform its credit obligations to pay the full amount to the Company, the Company is deemed to have default on the financial asset.

Expected credit losses are probability-weighted estimates of credit losses for the expected duration of the financial instrument. Credit losses are measured at the present value of all cash shortfalls, which is the difference between the cash flows that the Company can receive based on the contract and the cash flows expected to be received by the Company. Expected credit losses are discounted at the effective interest rate of financial assets.

The Company assesses whether the financial assets measured at amortized cost are credit-deductible on each reporting date. The financial asset has been credit-deducted when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence of credit impairment on financial assets includes observable information on:

- Significant financial difficulties for the borrower or issuer;
- Breach of contract, such as delay or overdue for more than 90 days;
- Due to economic or contractual reasons related to the financial difficulties of the borrower, the Company gives the borrower concessions that would not have been considered;
- The borrower is likely to claim bankruptcy or other financial restructuring; or
- The active market for the financial assets disappeared due to financial difficulties.

The allowance for financial assets measured as amortized cost is deducted from the carrying amount of the asset. The amount of accrual or reversal of allowance for loss is recognized in gain or loss.

When the Company cannot reasonably expect the recovery of financial assets in whole or in part, it will directly reduce the total carrying amount of its financial assets. Usually, the Company determines that the debtor's assets or sources of Revenue cannot generate sufficient cash flow to repay the amount of the write-off. However, the written-off financial assets can still be enforced in order to comply with the procedures for the Company to recover the overdue amount.

(6) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

2. Financial assets (policy applicable before January 1, 2018)

The Company's financial assets are classified into: receivables, financial assets measured at cost, held-to-maturity financial assets and available for sale financial assets.

(1) Available for sale financial assets.

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

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

(2) Held-to-maturity financial assets

Such financial assets are debt securities that the Company has a positive intention and ability to hold until maturity. The initial recognition is measured at fair value plus the directly attributable transaction cost; the subsequent evaluation is measured by the effective interest rate method after the amortized cost minus the impairment loss. The purchase or sales of financial assets in ordinary course of business is handled in accordance with the accounting treatment of the trading date.

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

(3) Receivables

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

Interest income is included in non-operating income and expenses.

(4) Impairment of financial assets

Except for financial assets measured at fair value through profit or loss, financial assets are assessed for impairment at each reporting date. A financial asset is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes the severe financial difficulties, default or delinquency by debtor (such as interest and payment are delay or unpaid), indications that a debtor or issuer will enter bankruptcy, possibility of restructuring increase and economic conditions that correlate with defaults of issuers and the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is accounted for as objective evidence of impairment.

After the individual assessment of the accounts receivable has not been derogated, the impairment is assessed on a Company basis. Evidence of objective impairment of a portfolio of receivables may include the Company's past experience in payment collections, an increase in delayed payments over the average credit period of the Company, and changes in national or regional economic conditions associated with arrears in receivables.

For financial assets measured at amortized cost, the amount of impairment loss recognized is the difference between the carrying amount of the asset and the present value of the estimated future cash.

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

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

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

When a financial asset is measured at amortized cost, if the amount of the impairment loss in the subsequent period decreases and the decrease is objectively linked to the occurrence of the impairment loss, the previously recognized impairment loss is recognized in gain or loss, except that the carrying amount of the investment on the deductible reversal date shall not be greater than the amortized cost if the impairment is not recognized.

The impairment loss of equity investments available-for-sale that was previously recognized in the gain or loss shall not be reversed and recognized in gain or loss. The recovery in fair value of any impairment loss previously recognized is recognized in other comprehensive Revenue and accumulated under the “other equity interest” account.

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

(5) Derecognition of financial assets

Financial assets are derecognized when the contractual rights of the cash inflow from the asset are terminated, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss that had been recognized in other comprehensive income and presented in “other equity–unrealized gains or losses from available for sale financial assets” is recognized in profit or loss, and recognized in non-operating income and expenses.

The Company separates the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part derecognized, and the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income, shall be recognized in profit or loss, under non-operating income and expenses.

A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts.

3. Financial liabilities and equity instruments

(1) Classification of debt or equity

Debt or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreement.

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

Interest related to the financial liability is recognized in profit or loss, and included in non-operating income and expenses.

(2) Other financial liabilities

Financial liabilities not held for trading and are not designated as measured at fair value through gain or loss include long-term and short-term borrowings, accounts payable and other payables. Initial recognition is measured at fair value plus directly attributable transaction costs; the evaluation then uses the effective interest rate method measured at amortized cost. Interest expense not capitalized as an cost of asset is reported under the “non-operating Revenue and expense” account.

(3) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation has been discharged or cancelled, or has expired.

The difference between the carrying amount of a financial liability removed and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss, under non-operating income and expenses.

(4) Offsetting of financial assets and liabilities

The Company presents its financial assets and liabilities on a net basis when the Company has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(7) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories, production or conversion cost, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses necessary to make the sale.

(8) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The standalone financial statements include the Company’s share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align their accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases. The Company recognizes any changes, proportionately with the shareholding ratio under additional paid in capital, when an associate’s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual controlling power.

Unrealized profits resulting from transactions between the Company and an associate are eliminated to the extent of the Company's interest in the associate. Unrealized losses on transactions with associates are eliminated in the same way, except to the extent that the underlying asset is impaired.

When the Company's share of losses or exceeds its interests in an associate, the carrying amount of the investment, including any long term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent the Company has an obligation or has made payments on behalf of the investee.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under additional paid in capital. If the additional paid in capital resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(9) Investment in subsidiaries

The Company has the wholly-owned investee company valued under equity method when preparing the standalone financial statements. Under the equity method, the amortization amount attributable to the shareholders of the parent company from the gains or losses and other comprehensive Revenue of the standalone 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 standalone financial statements and the consolidated financial statements is the same.

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

(10) Property, plant and equipment

1. Recognition and measurement

Items of property, plant and equipment are recognized and measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset. The cost of a self-constructed asset comprises material, labor, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and any borrowing cost that is eligible for capitalization. The cost of software is capitalized as part of the equipment if the purchase of the software is necessary for the equipment to be capable of operating.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately unless its useful life and depreciation method are the same as the useful life and depreciation method of another significant part of that same item.

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

2. Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and the amount can be reliably measured. The carrying amount of those parts that are replaced is derecognized. Ongoing repairs and maintenance are expensed as incurred.

3. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful life of each component of an item of property, plant and equipment. Items of property, plant and equipment with the same useful life may be companied in determining the depreciation charge. The remainder of the items may be depreciated separately. The depreciation charge for each period is recognized in profit or loss.

Land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

(1) Buildings: 2-50 years
(2) Machinery and equipment: 2-20 years
(3) Other equipment and leased assets: 2-25 years

The significant components of the building and construction mainly include the main building of the plant, electromechanical power engineering and wastewater treatment system, and are depreciated according to their durability years of 25 to 50 years, 25 years and 4 to 25 years respectively.

Depreciation methods, useful lives, and residual values are reviewed at each annual reporting date. If expectations differ from the previous estimates, the changes are accounted for as changes in an accounting estimate.

(11) Lessee

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 Revenue statement over the lease term on a straight-line basis.

(12) Intangible assets

1. Research and development

During the research phase, activities are carried out to obtain and understand new scientific or technical knowledge. Expenditures during this phase are recognized in profit or loss as incurred.

Expenditures arising from the development phase shall be recognized as an intangible asset if all the conditions described below can be demonstrated; otherwise, they are recognized in profit or loss as incurred:

(1) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
(2) The intention to complete the intangible asset and use or sell it.
(3) The ability to use or sell the intangible asset.
(4) How the intangible asset will generate probable future economic benefits.
(5) The availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset.
(6) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

2. Other intangible assets

Other intangible assets that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

3. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

4. Amortization

The amortizable amount is the cost of an asset less its residual value.

Except for goodwill, amortization is recognized in profit or loss on a straight line basis over the estimated useful lives from the date that they are available for use.

The residual value, amortization period, and amortization method of intangible assets are reviewed at least annually at each fiscal year end. Any change shall be accounted for as a changes in accounting estimates.

(13) Impairment of non-financial assets

The Company measures whether impairment has occurred in non-financial assets (except for inventories and deferred income tax assets) on every reporting date, and when there is an indication of impairment, the Company estimates its recoverable amount. If it is not possible to determine the recoverable amount of an individual asset, then the Company will have to determine the recoverable amount of the cash generating unit (“CGU”) to which the asset has been allocated to.

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. In assessing value in use, the estimated future cash flows are translated using the pre-tax discount rate to the present value. The discount rate should reflect the current market's assessment of the time value of money and the specific risks to the asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit is lower than the carrying amount, the carrying amount of the individual asset or cash-generating unit is adjusted down to the recoverable amount with the impairment loss recognized. Impairment loss is recognized immediately in gain or loss of the current period.

For the purposes of impairment testing, goodwill acquired through business mergers shall be amortized to the Company’s cash-generating units (or cash generating Company) 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.

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.

(14) Provisions

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.

(15) Treasury stock

Repurchased shares are recognized under treasury shares (a contra equity account) based on their repurchase price (including all directly accountable costs), net of tax. Gains on disposal of treasury shares should be recognized under “capital reserve–treasury share transactions”. Losses on disposal of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings. The carrying amount of treasury shares should be calculated using the weighted average of different types of repurchase.

When the treasury stock is cancelled, the “capital reserve – Treasury stock” is debited proportionately to the equity shares, the difference is applied to write off the capital reserve - 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

(16) Recognition of revenue

1. Revenue from contracts with customers (policy applicable from January 1, 2018)

   Revenue is measured by the amount of consideration that is expected to be obtained based on the transfer of goods or services. The Company recognizes Revenue when the control of goods or services is transferred to the customer and the performance obligation is fulfilled. The Company's main Revenue items are as follows:

   (1) Sale of goods

The company researches, develops, designs, manufactures and markets semiconductor silicon wafers and their components, varistors, optoelectronics and communication wafer materials. The Company recognizes revenue when it transfers control of the product. Control transfer of the product means that the product has been delivered to the customer, and the customer can completely determine the sales channel and price of the product, and has no impact on the customer's unfulfilled obligation to accept the product. The delivery occurs when the product is shipped to a specific location, its obsolescence and loss risk has been transferred to the customer, and the customer has accepted the product under the sales contract, the acceptance terms have lapsed, or the company has objective evidence that all acceptance conditions have been met.

(2) Product processing services

The Company provides processing of enterprise products and recognizes relevant Revenue during the financial reporting of the provision of labor services. Fixed price contracts are based on the proportion of services actually provided as a percentage of total services as of the reporting date. If the circumstances change, the estimates of Revenue, cost and degree of completion will be revised and the changes will be reflected in gain or loss when the management is informed of the change in circumstances and the amendment is made.

Under the fixed price contract, the customer pays a fixed amount in accordance with the agreed time schedule. When the services provided exceed the payment, the contract assets are recognized; if the payment exceeds the services provided, the contract liabilities are recognized.

If the contract is valued based on the number of hours of service provision, the Revenue is recognized by the amount for which the Company has the right to open an invoice. The Company asks customers for payment monthly, and can receive the consideration after opening the invoice.

The Company recognizes the accounts receivable when the goods are delivered, because the Company has the right to charge the consideration unconditionally at that time.

2. Revenue (policy applicable before January 1, 2018)

(1) Sales of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement. For international shipments, transfer of risks and rewards occurs upon loading the goods onto the relevant carrier. Generally for such products, the customer has no right of return. For domestic shipments, risks and rewards are normally transferred when goods are delivered and accepted by customers at the client's designated location.

(2) Services

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

(3) Government grants

Income from government grants for research and development is recognized as revenue under non-operating income and expenses, based on actual costs incurred as a percentage of the expected total costs. Income from government grants for equipment spending is recognized as the deduction of the equipment's carrying amount, which is also allocated on a straight line basis over the useful life of the equipment as a reduction of depreciation expense.

(17) Employee Benefits

1. Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any fair value of any plan asset is deducted. The discount rate used in calculating the present value is the market yield at the reporting date of government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

Enterprise's net obligation is calculated annually by a qualified actuary in accordance with the project unit credit method. When the calculation results are beneficial to the Company, it is limited to the amount of the present value of the economic benefits that can be obtained from the funds returned from the plan or the accrual decrease of the plan in the future. 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, the relevant expenses are recognized as gain or loss immediately.

The remeasurement of net defined benefit liabilities (assets) includes (1) actuarial gain or loss; (2) plan asset remuneration, excluding the amount of net interest included in net defined benefit liabilities (assets); and (3) any change in asset cap impact, but does not include the amount of net interest included in the net defined benefit liabilities. The remeasurement of net defined benefit liabilities (assets) are recognized in other comprehensive Revenue. The Company had chosen to have amounts recognized in other comprehensive Revenue 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 benefits

   Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

   A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(18) Share based payment

The grant date fair value of share based payment awards granted to employees is recognized as employee expenses, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards whose related services are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related services at the vesting date.

The non-vested conditions relating to the share-based payment incentives are reflected in the measurement of the fair value of the share-based payment and the difference between the expected and actual results is not subject to verification adjustment.

(19) Income tax

Income tax expenses include both current taxes and deferred taxes. Except for expenses related to business combinations, recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. However, deferred taxes are not recognized for the following:

1. Assets and liabilities that are initially recognized but are not related to the business combination and have no effect on net income or taxable gains (losses) arising from the transaction.
2. Temporary differences arising from equity investments in subsidiaries or joint ventures where there is a high probability that such temporary differences will not reverse.
3. Initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, which are normally tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

1. The entity has the legal right to settle tax assets and liabilities on a net basis; and
2. The taxing of deferred tax assets and liabilities fulfills one of the scenarios below:
   (1) Levied by the same taxing authority; or
   (2) Levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

A deferred tax asset is recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized. Such unused tax losses, unused tax credits, and deductible temporary differences are also be reevaluated every year on the financial reporting date, and adjusted based on the probability that future taxable profit will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized.

(20) Earnings per share

The Company illustrated the basic and diluted earnings per share attributable to the common stock shareholders. Basic earnings per share is calculated by having the 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 or 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 ordinary share includes non-vested shares of restricted employee right and employee remuneration that has not been resolved by the board of directors and has been issued in the form of shares.

(21) Operating segment

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

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The management, when preparing the standalone financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", 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 continues to review the estimates and underlying assumptions, and changes in accounting estimates are recognized in the period in the period of change and affected future period

The accounting policy involves significant judgement and the information that has a significant impact on the amount recognized in the standalone financial statements is as follows: Impairment assessment of property, plant and equipment

The Company needs to rely on subjective judgment and base them on assets usage patterns and industrial characteristics throughout the asset impairment evaluation process to determine the independent cash flow of a specific Company of assets, service life of assets and potential profit and loss; also, the changes in estimates arising from any changes in the economic situation or the Company's strategies that are likely to cause significant impairments or have the recognized impairment loss reversed. Please refer to Note 6 (12) for the key assumptions used in the recoverable amount.

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:

(1) Level I: Quoted prices (unadjusted) in active markets for identified assets or liabilities.

(2) Level II: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(3) Level III: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For any transfer within the fair value hierarchy, the Company recognizes the transfer on the reporting date. For the assumption used in fair value measurement, please refer to note 6(29) of the financial instruments.

6. Explanation of significant accounts

(1) Cash and cash equivalents

		2018.12.31	2017.12.31
Cash on hand	$	146	246
Demand deposits		759,013	673,182
Time deposits		92,145	-
Cash and cash equivalents in the consolidated statement of cash flows	$	851,304	673,428

Please disclose Note 6 (29) for the disclosure of interest rate risk and sensitivity analysis of the Company's financial assets and liabilities.

(2) Financial assets at fair value through gain or loss

		2018.12.31	2017.12.31
Domestic booked (OTC) company share-TAIWANSTYRENE MONOMER CORPORATION (hereinafter referred to as Taiwan Styrene)	$	87,053	-

Please refer to Note 6 (30) for market risk information.

The above financial assets are not guaranteed as long-term loans and financing guarantees

(3) Financial assets at fair value through other comprehensive income

		2018.12.31
Equity instruments measured at fair value through other comprehensive gain or loss:		
Domestic booked (OTC) company stock - Actron Technology Corporation	$	319,427
Domestic booked (counter) company stock – United Renewable Energy Co., Ltd.		270,073
Domestic non-booked (OTC) company stock – Powertech Energy Corp.		130,764
Domestic booked (OTC) company stock – Phoenix Silicon International Corporation		76,284
Domestic non-booked (OTC) company stock - GIGA Electronic Technology Corporation		4,458
Total	$	801,006

The Company's investments in these equity instruments are long-term strategic investments and are not held for trading purposes and have been designated to be measured at fair value through other comprehensive gain or loss. For the financial assets available for sale and the financial assets measured at cost recognized on December 31, 2017, please refer to Note 6 (7) and 6 (9).

Solartech Energy Corp. (hereinafter referred to as Solartech Energy) and Gintech Energy Corporation (hereinafter referred to as Gintech Energy Corporation) and Neo Solar Power Corporation (hereinafter referred to as Neo Solar Power) jointly signed the merger contract on January 29, 2018. The Neo Solar Power was the existing company (the name of the company after the merger was changed to United Renewable Energy Co., Ltd., hereinafter referred to as URE), and Gintech Energy and Solartech Energy were cancelled. The base date for the merger is October 1, 2018. Solartech Energy's shareholders, in accordance with the issued ordinary shares (including private placement of shares and restrictions on employee rights shares, if issued) they hold, renewed 1.17 shares of Neo Solar Power's shares per share.

On October 1, 2018, the Company was deemed to have sold Solartech Energy stocks at fair value through other comprehensive gain or loss. The fair value at the time of disposition was NT$ 348,370 thousands, and the accumulated disposition losses were NT$ 1,558,196 thousands. The aforementioned cumulative disposition losses have been transferred from other equity to retained earnings.

Apart from the above, the Company did not dispose of strategic investment in 2018. During the period, accumulated gain or loss were not transferred within the equity.

The Dividend income recognized by the Company in 2018 was NT$ 12,776 thousands due to equity instrument investment measured at fair value through other comprehensive gain or loss.

For credit risk and market risk information, please refer to Note 6 (30).

The above financial assets are not guaranteed as long-term loans and financing guarantees

(4) Financial assets measured at amortized cost

		2018.12.31
Corporate debt - Crystalwise Technology	$	281,366

The Company's assessment is the holding of these assets to the maturity date to collect contractual cash flows, and the cash flows of these financial assets are solely for the payment of the principal and interest on the outstanding principal amount. Therefore, since January 1, 2018 it was presented as financial assets measured at amortized cost.

In October 2016, the Company purchased the private equity corporate bonds of Crystalwise Technology Corporation for a five-year period at a nominal amount of NT$ 280,000 thousands. The coupon rate and effective interest rate were 2.00%. For investment classified as held to maturity date on December 31, 2017, please refer to Note 6 (8).

Please refer to Note 6 (30) for credit risk information.

The above financial assets are not guaranteed as long-term loans and financing guarantees

(5) Net accounts receivable

		2018.12.31	2017.12.31
Accounts receivable	$	506,161	779,227
Less: Allowance for doubtful accounts		(34,663)	(48,679)
Allowance for sales discounts and returns		-	(1,562)
	$	471,498	728,986

The Company adopted a simplified approach to the estimation of expected credit losses for all notes receivables and accounts receivables on 31 December 2018, that is, the use of expected credit losses for the duration for the measurement, for the purpose of this measure, the notes receivable and the accounts receivables are companied by the common credit risk characteristics that represent the ability of the customer to pay all of the maturity amounts in accordance with the terms of the contract and have been incorporated into forward-looking information. The expected credit losses of notes and accounts receivable of the Company as of December 31, 2018 are as follows:

		Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	$	468,479	0%	-
1 to 30 days past due		3,019	0%-0.2%	-
More than 91 days past due		34,663	100%	34,663
Total	$	506,161		34,663

On December 31, 2017, use the credit loss model that has occurred to consider the allowance for bad debts of notes and accounts receivable. The ageing analysis of the Company's overdue but not deductible receivables (including related parties) on December 31, 2017 is as follows:

		2017.12.31
1 to 30 days past due	$	45,673
31 to 60 days past due		1,027
61 to 90 days past due		6,825
	$	53,525

On December 31, 2017, the accounts receivable that were overdue but not deducted were booked. After assessment that the credit quality has not changed significantly, there is no worry for impairment. In addition, the Company did not take any collateral for these notes and accounts receivable.

The changes in allowances for notes receivable and accounts receivable of the Company are as follows:

			2017	
		2018	Individual assessment of impairment losses	Company assessment of impairment losses
Balance on January 1, 2018 and 2017 per IAS39	$	48,679	48,679	-
Adjustment on initial application of IFRS 9		-		
Balance on January 1, 2018 per IFRS 9		48,679		
Impairment losses recognized		34,663	-	-
Amounts written off		(48,679)	-	-
Balance on December 31, 2018 and 2017	$	34,663	48,679	-

The Company's notes and accounts receivables have not been provided as collateral guarantees.

(6) Inventories

		2018.12.31	2017.12.31
Finished goods and products	$	272,690	803,819
Work in progress		49,846	236,839
Raw materials		267,634	1,194,127
	$	590,170	2,234,785

Component of operating cost were as follows:

	2018	2017
Cost of sales	9,613,968	11,720,137
Impairment loss of property, plant and equipment (Note 6 (12))	1,497,261	-
Appropriate (reverse) inventory loss in valuation	66,125	(130,275)
Unallocated fixed manufacturing expense	507,441	369,750
New debt provision (Note 6 (15))	533,292	-
	12,218,087	**11,959,612**

None of the Company's inventories has been provided as a collateral guarantee.

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

	2017.12.31
Booked shares- Solartech Energy	$ 439,258
OTC Stocks – Actron Technology Corporation	245,936
	$ 685,194

The above investment targets are booked in the series of financial assets measured at fair value through other comprehensive gain or loss on December 31, 2018. Please refer to Note 6 (3).

For credit risk and market risk information, please refer to Note 6 (30).

None of the above financial assets of the Company has been provided as a pledge guarantee.

(8) Held-to-maturity financial assets - non-current

	2017.12.31
Corporate debt - Crystalwise Technology	**$ 281,366**

The above corporate bonds booked in the series of financial assets measured at amortized cost on December 31, 2018. Please refer to Note 6 (4).

Please refer to Note 6 (30) for credit risk information.

The Company's held-to-maturity financial assets have not been provided as collateral guarantees.

(9) Financial assets measured at cost - non-current

	2017.12.31
Equity investment	$ 900,138
The cumulative amount of impairment loss recognized	(601,498)
	$ 298,640

Cumulative impairments changes are as follows:

		2017
Cumulative impairments – beginning	$	531,997
Impairment loss appropriated this period		69,501
Cumulative impairments - ending	**$**	**601,498**

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.

Financial assets presented at fair value through other comprehensive gain or loss on December 31, 2018 are detailed in Note 6 (3).

For credit risk and market risk information, please refer to Note 6 (30).

None of the above financial assets of the Company has been provided as a pledge guarantee.

(10) Investments accounted for using equity method

The Company's investment under equity method on the reporting date is as follows:

		2018.12.31	**2017.12.31**
Subsidiary	$	24,019,984	19,612,583
Associates		1,863,454	1,376,095
	$	**25,883,438**	**20,988,678**

1. Subsidiaries

Please refer to the 2018 consolidated financial statements.

2. Affiliated companies

Names of affiliated companies	Relationship with the Company	Main location/ country registered in	Percentage of equity ownership interests and voting rights	
			2018.12.31	**2017.12.31**
Crystalwise Technology Inc.	Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material.	Taiwan	40.11%	40.11%
Accu Solar Corporation (Hereinafter referred to as TSCS)	The main business is providing solar modules.	Taiwan	24.70%	24.70%
Cathy Sunrise Corporation (hereinafter referred to as Cathy Sunrise)	The main business is manufacturing of power generation, transmission and distribution machinery.	Taiwan	30.00%	30.00%
Taiwan Special Chemicals Corporation (hereinafter referred to as Taiwan Special Chemicals)	The main business is manufacturing of semiconductor special gas and chemical materials.	Taiwan	30.93%	-

1. For the affiliated enterprises that are significant to the Company that have been OTC, the fair value is as follows:

	2018.12.31	2017.12.31
Crystalwise Technology Inc.	$ 791,079	1,179,391

Below is financial information of affiliated companies that are material to the Company, with adjustments made to include amounts reported by the affiliated companies in their standalone financial statements 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 Technology:

	2018.12.31	2017.12.31
Current Assets	$ 1,055,915	1,370,465
Non-Current Assets	2,134,030	2,627,539
Current Liabilities	(1,225,269)	(1,392,433)
Non-Current Liabilities	(872,017)	(1,013,279)
Net assets attributed to owner of the investee parent company	$ 1,092,659	1,592,292

	2018	2017
Operating Revenues	$ 1,317,193	1,496,642
Operating net loss from continuing operations	$ (449,780)	(527,910)
Revenue and loss from discontinued operations	-	(93,711)
Other comprehensive income (loss)	(59,599)	(19,047)
Total comprehensive Revenue attributed to owner of the investee company	$ (509,379)	(640,668)
The Company’s share on net assets of the subsidiaries and affiliated companies accounted for under equity method – beginning of the period.	$ 849,211	1,112,819
Recognized change in equity net worth of affiliated companies under equity method this period	124	102
Total operating profit and loss and the impairment loss accrued attributable to the consolidated company	(410,495)	(258,295)
Other comprehensive profit and loss and other attributable to the consolidated company	(23,449)	(5,415)
The Company’s share on net assets of the subsidiaries and affiliated companies accounted for under equity method – end of the period.	$ 415,391	849,211

2. For the Company's affiliated companies under equity method and individually insignificant, the aggregated financial information is as follows. The financial information is the amount included in the financial statements of the Company:

	2018.12.31	2017.12.31
Total carrying amount of the closing balance of the interests of individual insignificant affiliated companies	$ 1,448,063	526,884

	2018	2017
Share attributable to the Company:		
Net loss this period	$ (67,745)	(367)
Other comprehensive income (loss)	(4)	-
Total comprehensive Revenue	$ (67,749)	(367)

3. The difference in the investment cost of the newly added investment and the fair value of the identifiable net assets of the investee is mainly attributable to the intangible assets.
4. Guarantee

   None of the Company's investment in equity method has been provided as a collateral guarantee.

(11) Changes in ownership equity of subsidiaries

1. Additional shares obtained of the subsidiary

In October 2018, the Company increased its shareholding in GlobalWafers by cash of NT$ 91,006 thousands, increasing its equity from 50.84% to 50.94%. The Company did not trade with non-controlling interests in 2017.

The impact of the Company's changes in the ownership interest of the above subsidiaries on the equity attributable to the owners of the parent company is as follows:

	2018
Carrying amount of non-controlling interests purchased	$ 41,341
Consideration paid to non-controlling interests and the adjustment of other equity	(92,445)
The capital reserve - the difference between the equity price of the company actually acquired or disposed of and the carrying amount	$ (51,104)

2. The subsidiary bought back the treasury shares without causing loss of control

GlobalWafers implemented the treasury stock system in 2018 and bought back the company's shares at Taiwan Stock Exchange, which increased the company's interest in GlobalWafers by 0.23%.

The impact of the changes of the Company's equity of GlobalWafers on the equity attributable to the parent company is as follows:

	2018
Reduction in equity after a subsidiary buys back treasury shares	$ 194,600
Capital reserve - long-term equity investment recognized by equity method	$ (194,600)

3. Subsidiary cash increase was not subscribed according to the shareholding ratio and did not result in loss of control.

In April 2017, GlobalWafers handled the cash increase and issued new shares to participate in the issuance of overseas depositary receipts to the non-controlling interests of NT$ 14,035,424 thousands. The Company did not subscribe in accordance with the shareholding ratio. The impact of the Company's changes in the ownership interest of GlobalWafers on the equity attributable to the owners of the parent company is as follows:

	2017
The increase in interests the parent company is entitled to after the issuance of new shares by the subsidiary.	$ 5,670,467
Capital reserve - long-term equity investment recognized by equity method	$ 5,670,467

(12) Property, property, plant and equipment

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

		Land	Building	Machinery equipment	Other equipment	Construction in progress and quarantined equipment	Total
Cost:							
Balance of January 1, 2018	$	405,890	3,026,866	8,396,815	1,508,241	366,730	13,704,542
Additions		-	9,909	172,298	64,556	183,523	430,286
Disposition		-	(1,184,500)	(1,178,587)	(222,594)	-	(2,585,681)
Reclassification		-	16,300	190,715	220,158	(410,395)	16,778
Balance of December 31, 2018	**$**	**405,890**	**1,868,575**	**7,581,241**	**1,570,361**	**139,858**	**11,565,925**
Balance of January 1, 2017	$	405,890	2,964,484	9,772,803	1,332,926	693,053	15,169,156
Additions		-	23,259	60,171	50,914	143,270	277,614
Disposition		-	(30,909)	(1,645,600)	(65,719)	-	(1,742,228)
Reclassification		-	70,032	209,441	190,120	(469,593)	-
Balance of December 31, 2017	**$**	**405,890**	**3,026,866**	**8,396,815**	**1,508,241**	**366,730**	**13,704,542**
Depreciation and impairment loss:							
Balance of January 1, 2018	$	-	1,316,005	5,488,946	566,176	-	7,371,127
Depreciation for the year		-	84,061	774,171	123,681	-	981,913
Impairment loss			328,088	1,128,814	38,654	1,705	1,497,261
Disposition		-	(668,024)	(1,116,129)	(146,534)	-	(1,930,687)
Reclassification		-	1,808	(33,792)	88,746	-	56,762
Balance of December 31, 2018	**$**	**-**	**1,061,938**	**6,242,010**	**670,723**	**1,705**	**7,976,376**
Balance of January 1, 2017	$	-	1,203,190	6,331,841	519,344	-	8,054,375
Depreciation for the year		-	143,724	786,206	104,168	-	1,034,098
Disposition		-	(30,909)	(1,631,215)	(55,222)	-	(1,717,346)
Reclassification		-	-	2,114	(2,114)	-	-
Balance of December 31, 2017	**$**	**-**	**1,316,005**	**5,488,946**	**566,176**	**-**	**7,371,127**
Carrying amount:							
December 31, 2018	**$**	**405,890**	**806,637**	**1,339,231**	**899,638**	**138,153**	**3,589,549**
January 1, 2017	**$**	**405,890**	**1,761,294**	**3,440,962**	**813,582**	**693,053**	**7,114,781**
December 31, 2017	**$**	**405,890**	**1,710,861**	**2,907,869**	**942,065**	**366,730**	**6,333,415**

2. Impairment loss

In the fourth quarter of 2018, the Company assessed that the production line of the Solar Energy Division was affected by the global economy, resulting in a decline in production. Therefore, it is necessary to assess the recoverable amount of the production line.

The Company's solar product production line is a cash-generating unit whose recoverable amount is based on its value in use. In accordance with the assessment on December 31, 2018, the carrying amount of the property, plant and equipment is higher than its recoverable amount, so the impairment loss is recognized as NT$ 1,497,261 thousands, which is included in the operating cost of the consolidated Revenue statement.

The estimated value of use in 2018 is calculated at a pre-tax discount rate of 8.94%.

3. Disposition of property, property, plant and equipment

   The Company sold its plants and equipment to GlobalWafers in January and May, 2018. Please refer to Note 7 for details.

4. Guarantee

   For details of long-term and short-term borrowings and financing quota guarantees as of December 31, 2018 and 2017, please refer to Note 8.

(13) Short-term borrowings

	2018.12.31	2017.12.31
Unsecured bank loans	$ 2,600,000	2,364,913
Purchase of materials loan	117,125	-
	$ 2,717,125	2,364,913
Unused loan amount	$ 4,612,625	1,664,252
Loan interest rate collars at end of period	0.9% -0.98%	0.2%-1.1%

(14) Long term borrowings

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

2018.12.31

	Currency	Interest rate interval at end of period	Expiry date	Amount
Unsecured bank loans	NTD	1.04%-1.18%	2020.06-2020.11	$ 1,159,000
Secured bank Loan	NTD	1.28%	2022.01-2032.01	451,200
Total				$ 1,610,200
Unused loan amount				$ 301,000

2017.12.31

	Currency	Interest rate collars	Expiry date	Amount
Unsecured bank loans	NTD	1.1%-1.17%	2019.06-2020.10	$ 900,000
Secured bank Loan	NTD	1.28%	2022.01-2032.01	460,000
Total				$ 1,360,000
Unused loan amount				$ 1,800,000

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

(15) Provision

The Company's liability reserve is as follows:

		Onerous contracts
Balance of January 1, 2018	$	427,000
Provisions made during the year		533,292
Balance of December 31, 2018	**$**	**960,292**
Balance of December 31, 2017 (Balance of January 1, 2017)	**$**	**427,000**

The Company's provision for loss-making contract liabilities was due to the signing of a long-term purchase contract with the silicon raw material supplier. The parties agreed that from January 1, 2006 to December 31, 2019, the delivery quantity and price agreed upon in the contract are delivered. 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 fluctuations in the spot market price, the Company has prepared the relevant liabilities reserve and recognized them under operating costs. Please refer to Note 9 for a description of the agreement with the raw material supplier.

(16) Operating lease

Lease of lessee

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

		2018.12.31	2017.12.31
Within 1 year	$	37,326	31,792
1-5 years		108,533	122,015
Over 5 years		50,662	81,499
	$	**196,521**	**235,306**

The operating expenses for 2018 and 2017 are stated in the profit and loss of NT$ 40,018 thousands and NT$ 35,803 thousands respectively.

The Company leases the factory to the subsidiary. After the lease expires, it can be automatically extended for half a year with the agreement of both parties. The annual rent is about NT$ 9,499 thousands.

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. The rent for the contract should be adjusted according to the adjustment of the land price set by the government. The annual rent is about NT$ 4,161 thousands.

The Company leased land and building materials for use in the expansion of production capacity to Mingsheng Corporation f. The lease period was from July 2015 to July 2025 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 thousands per month.

Please refer to Note 7 for the disclosure of the Company's related parties.

(17) Employee Benefits

1. Defined benefit plan

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

		2018.12.31	2017.12.31
Total present value of obligations	$	(27,141)	(47,043)
Fair value of plan assets		30,374	32,571
Net defined benefit (liabilities) assets	$	3,233	(14,472)

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

(1) Plan assets composition

The pension fund accrued in accordance with Labor Standards Act is managed by the Labor Fund Application Bureau of the Ministry of Labor (hereinafter referred to as the Labor Fund Bureau). In accordance with the Labor retirement fund Revenue and expenditure custody and application methods, the use of the fund, the minimum Revenue of its annual final settlement, shall not be lower than the Revenue calculated based on the local bank's two-year time deposit rate.

The balance of the Company's labor retirement reserve account at Bank of Taiwan on the reporting day was NT$ 30,374 thousands. 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) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations of the Group were as follows:

		2018	2017
Defined benefit obligations at January 1	$	47,043	48,472
Current service costs and interest cost		1,086	1,046
Re measurements for defined benefit obligations			
- Actuarial gains and losses arising from experience adjustments		(14,299)	(1,087)
- Actuarial gains and losses resulting from changes in demographic assumptions		873	1,008
- Actuarial gains and losses resulting from changes in financial assumptions		315	-
Benefits paid		(7,877)	(2,396)
Defined benefit obligations at December 31	$	27,141	47,043

(3) Movements in fair value of defined benefit plan assets

The movements in fair value of the defined benefit plan assets of the Group were as follows:

		2018	2017
Fair value of plan assets at January 1	$	32,571	28,617
Interest income		394	512
Re measurements for defined benefit obligations			
- Return on plan asset (excluding interest revenue)		883	(230)
Contributions made		4,403	6,069
Benefits paid		(7,877)	(2,397)
Fair value of plan assets at December 31	$	**30,374**	**32,571**

(4) Change of limit on a defined benefit assets

In 2018 and 2017, the Company did not have any effect on the changes of limit on a defined benefit plan assets

(5) Expenses recognized in profit or loss

The expenses recognized in the gain or loss of the Company in 2018 and 2017 are as follows:

		2018	2017
Current service costs	$	557	500
Net interest of net liabilities for defined benefit obligation		135	34
	$	**692**	**534**
Operating Costs	$	356	266
Selling expenses		129	38
Administrative expenses		109	158
Research and development expenses		98	72
	$	**692**	**534**

(6) Re measurement of net defined benefit liability recognized in other comprehensive income

The Company's accumulated remeasurement of net liabilities under defined benefit plan recognized as other comprehensive Revenue is as follows:

		2018	2017
Accumulated amount at January 1	$	138,122	(74,498)
Recognized during the period		(13,994)	(153)
In this period, the recognition of other consolidated profit and loss shares of subsidiaries and affiliated enterprises recognized under equity method		(93,347)	212,773
Accumulated amount at December 31	$	**30,781**	**138,122**

(7) Actuarial assumptions

The significant actuarial assumptions used for the present value of the defined benefit obligation by the Company at the end of the financial reporting day are as follows:

	2018.12.31	2017.12.31
Discount rate	1.000%	1.125%
Future salary increase rate	2.000%	2.000%

The Company expects to pay NT$ 363 thousands for the accrual of the defined benefit plan within one year after the reporting of the day in 2018.

The weighted average duration of the defined benefit plan is 10 years.

(8) Sensitivity analysis

The impact of the changes in the main actuarial assumptions adopted in 2018 and on December 31, 2017 on the present value of the defined benefit obligation is as follows:

		The impact to the defined benefit obligations	
		Increased by 0.25%	**Decreased by 0.25%**
December 31, 2018			
Discount rate	$	(668)	691
Future salary increase rate		671	(652)
December 31, 2017			
Discount rate	$	(1,196)	1,240
Future salary increase rate		1,203	(1,167)

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 pension expenses under the pension scheme of the Company in 2018 and 2017 were NT$ 39,710 thousands and NT$ 39,492 thousands respectively, which were allocated to the Bureau of Labor Insurance, Ministry of Labor.

(18) Income tax

The Presidential Office issued an amendment to the Income Tax Act on February 7, 2018. The Income tax rate for the profit-making business has been raised from 17% to 20% since 2018.

1. Income tax expenses

The details of Income tax expenses (interests) of the Company in 2018 and 2017 are as follows:

	2018	2017
Current tax expense (profit)		
Current tax expense	$ 3,935	-
Adjustment of the Income tax-current of prior period	1,646	(10,054)
	5,581	(10,054)
Deferred tax expense (profit)		
Temporary difference	93,445	-
Income tax rate change	(23,773)	-
	69,672	-
Income tax expense (profit)	**$ 75,253**	**(10,054)**

The Income tax benefits recognized by the Company in 2018 and 2017 in other comprehensive profit and loss are as follows:

	2018	2017
Items that will not be reclassified subsequently to profit or loss:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign financial statements	$ (5,267)	(13,012)
	$ (5,267)	**(13,012)**

The relationship between the Income tax expenses (interests) and the pre-tax net profit of the Company in 2018 and 2017 is adjusted as follows:

	2018	2017
Income before income tax	$ 2,025,756	1,025,451
Income tax using the Company’s domestic tax rate	405,151	174,327
Permanent differences adjustment	(922,909)	(268,393)
Adjustment in tax rate	(23,773)	-
Early high and low estimate	1,646	(10,054)
Deferred Income tax assets and other	615,138	94,066
	$ 75,253	**(10,054)**

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:

		2018.12.31	2017.12.31
Tax effect of deductible temporary differences	$	737,644	355,026
Tax loss		611,432	320,062
	$	1,349,076	675,088

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 Revenue 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 Revenue in the future for the use of temporary differences.

As on December 31, 2018, the Company has not recognized the taxable losses of deferred Income tax assets. The deductions of loss and deduction period are as follows:

Annual losses		Loss to be deducted	Deadline for deduction
2012 (verified)	$	1,403,648	2022
2013 (verified)		9,728	2023
2017 (declared)		682,943	2027
2018 (estimated)		960,839	2028
	$	3,057,158	

(2) Recognized deferred Income tax assets and liabilities

The breakdown of deferred Income tax assets is as follows:

		2017.1.1	Recognized in profit or loss	Recognized in other comprehensive income	2017.12.31	Recognized in profit or loss	Recognized in other comprehensive income	2018.12.31
Allowance for inventory valuation	$	63,870	(22,147)	-	41,723	20,589	-	62,312
Tax loss		69,196	18,129	-	87,325	(87,325)	-	-
Other		31,526	4,018	13,012	48,556	(3,586)	5,267	50,237
	$	164,592	-	13,012	177,604	(70,322)	5,267	112,549

The breakdown of deferred Income tax liabilities is as follows:

		2017.1.1	Recognized in profit or loss	Recognized in other comprehensive income	2017.12.31	Recognized in profit or loss	Recognized in other comprehensive income	2018.12.31
Other	$	-	-	-	-	650	-	(650)

3. Assessment of tax filings

The Income tax settlement report of the Company's profit-making business has been approved by the tax authorities to 2016.

(19) Capital and other interests

On December 31, 2018 and 2017, the total share capital of the Company were both NT$ 8,000,000 thousand, and the denomination per share was NT$ 10, both with a total of 800,000 thousand shares (all including employee stock option, special stocks with stock option or corporate with stock option, and the amount of shares that can be subscribed is NT$ 200,000 thousands). The legal registration procedure for the authorized capital stock is completed. The paid-up share capital were NT$ 5,863,207 thousands and NT$ 5,920,587 thousands respectively.

The number of shares outstanding of the Company in 2018 and 2017 is as follows (expressed in thousands of shares):

	Common stock	
	2018 January to December	**2017 January to December**
Opening balance at January 1	580,539	574,476
Employees exercising stock options	-	6,063
New restricted employee shares	2,341	-
Closing balance at December 31	**582,880**	**580,539**

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

   On June 27, 2017, the Company issued 6,000 thousand restricted employee shares through resolution of the shareholders' meeting which were approved by the competent authority, and October 13, 2017 was the capital increase base date, and the legal registration process was completed.

   As of December 31, 2018 and 2017, due to the resignation of employees, the recovered and written off restricted employee shares were 216 thousand shares and 35 thousand shares respectively. As of December 31, 2018, there were still 33 thousand shares whose legal registration procedures are unfinished.

2. Capital surplus

The Capital surplus balance of the Company is as follows:

	2018.12.31	2017.12.31
Additional paid in capital	$ 11,862,668	13,970,742
Difference between the disposition price and carrying value of the subsidiary's equity	2,441,893	2,492,997
Capital reserve of long-term equity investment is recognized under the equity method	6,568,293	6,762,869
Treasury stock transactions	33,314	31,765
New restricted employee shares	244,849	341,422
Employee stock options, etc.	606,275	606,036
	$ 21,757,292	24,205,831

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

On June 26, 2018, the Company resolved through the shareholders' meeting the case of the profit and loss of 2017. After the after-tax net profit of NT$ 1,035,505 thousands made up for the loss, the remaining amount was NT$ 317,629 thousands. And the capital reserve made up for the loss of NT$ 317,629 thousands, the relevant information can be inquired in the public information observatory and other pipelines.

The Company on June 26, 2018 and June 27, 2017, through resolution of the shareholders' meeting, made the capital accumulation of NT$ 1,759,511 thousands (NT$ 3 per share) and NT$ 861,714 thousands (NT$ 1.5 per share) in 2018 and 2017 respectively. Relevant information can be found in the public information observatory and other pipelines.

3. Legal reserve

According to the Company Act amended in January 2012, the parent company is to appropriate 10% of net Revenue 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. On December 31, 2018 and 2017, the special NT$ reserve was 102,349 thousand.

According to the Order referred to above, while distributing the distributable earnings, the Company had additional special reserve appropriated from the current gain 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.

3. Distribution of surplus earnings and dividend policy

In accordance with the revised articles of association of the Company, if there is a earnings in the annual final accounts, after tax paid according to the law and making up for the accumulated losses, 10% will be the legal reserve, but if the legal reserve has reached the paid-in capital, it shall not be accrued and the rest will be accrued according to law and regulations or reversed as the special reserve. If there is a balance, for the balance and the accumulated undistributed earnings, the board of directors proposes an earnings distribution proposal and submits it to the shareholders meeting for resolution of distributing shareholder dividend.

To maintain the sustainable business development and the stable growth of earnings per share of the Company, the shareholders' dividends shall be the earnings after tax of the current fiscal year with the deduction of more than 50% of the special reserve according to the law in principle, and the cash dividend in the distribution shall not be less than 50%.

The Company's shareholder meeting decided to make a loss provision on June 26, 2018 and June 27, 2017 respectively, and the loss provision situation did not differ from the proposed content of the board of directors.. Relevant information can be obtained from the public information observatory and other pipelines.

The Company on March 21, 2019, through the Board of Directors proposed the earnings distribution of 2018. The above-mentioned earnings distribution has yet to be resolved by the shareholders' meeting, the relevant information can be obtained from public information observatory and other pipelines after the relevant meeting resolution.

4. Treasury share

The balance of the treasury shares that have been bought back on December 31, December 31, 2018 and 2017 by the Company were 0 thousand shares and 5,555 thousand shares respectively. The acquisition costs were NT$ 0 thousands and NT$ 169,861 thousand respectively, accounted for in equity deductions.

Unit: Thousand shares

	2018			
Reasons for buy back	**Beginning shareholdings**	**Increase of the year**	**Decrease of the year**	**Ending shareholdings**
Transferred to employee	5,555	-	5,555	-

	2017			
Reasons for buy back	**Beginning shareholdings**	**Increase of the year**	**Decrease of the year**	**Ending shareholdings**
Transferred to employee	5,555	-	-	5,555

According to the Securities Exchange Act, the repurchased shares and percentage shall not exceed 10% of the outstanding shares; the total amount of treasury stock shall not exceed the lump sum of the retained earnings, stock premium and capital reserve realized. When the Company bought back the treasury shares, it calculated the relevant limit according to the most recent financial statements checked by the accountant.

5. Other interests (net after tax)

	Exchange differences on translation of foreign financial statements	Unrealized gain or loss on financial assets measured at fair value through other comprehensive gain or loss	Unrealized gains (losses) on available for sale financial assets	Remuneration unearned by employees	Other	Total
Balance of January 1, 2018	$(1,973,334)	-	(1,109,281)	(236,020)	(4,302)	(3,322,937)
Effects of retrospective application of new accounting standards	-	(2,338,298)	1,109,281	-	-	(1,229,017)
Re-edited balance at January 1, 2018	(1,973,334)	(2,338,298)	-	(236,020)	(4,302)	(4,551,954)
Exchange difference arising from conversion of a foreign institution's net assets	391,255	-	-	-	-	391,255
Share of conversion differences by affiliates under equity method	(4,162)	-	-	-	922	(3,240)
Unrealized gain or loss on financial assets measured at fair value through other comprehensive gain or loss	-	(529,832)	-	-	-	(529,832)
Unrealized gain or loss on financial assets measured at fair value through other comprehensive gain or loss under equity method	-	(96,198)	-	-	-	(96,198)
Dispose of equity instruments measured at fair value through other comprehensive gains and losses	-	1,558,196	-	-	-	1,558,196
Remuneration coast of shares with restrictions on employee rights	-	-	-	160,686	-	160,686
Balance of December 31, 2018	**$(1,586,241)**	**(1,406,132)**	**-**	**(75,334)**	**(3,380)**	**(3,071,087)**

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available for sale financial assets	Remuneration unearned by employees	Other	Total
January 1, 2017	$ (1,617,512)	(1,188,654)	-	(6,354)	(2,812,520)
Exchange difference arising from conversion of a foreign institution’s net assets	(63,531)	-	-	-	(63,531)
Exchange difference of the subsidiaries and affiliated companies accounted for under equity method	(292,291)	-	-	-	(292,291)
Available-for-sale financial assets unrealized gains and losses	-	23,914	-	-	23,914
The unrealized gains or loss of the financial assets available-for-sale of the affiliated companies under the equity method	-	55,459	-	-	55,459
The un-earned remuneration of the employees of the affiliated companies under the equity method	-	-	-	2,052	2,052
Shares issued with restrictions on employee rights	-	-	(283,200)	-	(283,200)
Remuneration coast of shares with restrictions on employee rights	-	-	45,752	-	45,752
Shares with restrictions on employee rights written-off	-	-	1,428	-	1,428
Balance of December 31, 2017	**$ (1,973,334)**	**(1,109,281)**	**(236,020)**	**(4,302)**	**(3,322,937)**

(20) Share-based payment

1. New Restricted employee shares

On June 27, 2017, the Company resolved through the shareholders' meeting to issue 6,000 thousand new restricted employee shares. The object is limited to manager-level (including) above supervisors and full-time employees with special contributions who have served for more than one year at the company since the granting day. The company has filed a declaration with the Securities and Futures Commission of FSC and all the shares were issued by the board of directors resolution on October 5, 2017. The fair value of the grant was NT$ 67.2.

The employees who have been allocated the above-mentioned new restricted employee shares will be able to subscribe for the shares allocated for NT$ 20 each. The vested condition is that after receiving the new restricted employee shares, they are still in service according to the following schedule, and their performance reaches A (including) above, then they can obtain the share percentage of the vested condition respectively:

(1) 1 year of service: 40%
(2) 2 year of service: 70%
(3) 3 year of service: 100%

After the employees subscribe for the new shares, they may not sell, pledge, transfer, donate, set or do other disposition of their shares until the vested conditions are fulfilled; new restricted employee shares are subject to the right to participate in the distribution of dividends, and the dividends they receive are not subject to the vested period; the proposal, speech, voting rights and other relevant shareholders' equity of the shareholders meeting of the Company before the vested conditions are the same as the other ordinary shares of Sino-American Silicon Products. Inc.; after the issuance, the new restricted employee shares should be immediately delivered to the trust or custody and must not be returned to the trustee for any reason or manner until the vested conditions are fulfilled. If the employee is not eligible for the vested condition after the new share is subscribed, the shares will be bought back by the Company at the issue price.

Relevant information of the new restricted employee shares of the Company is as follows:

Unit: Thousand shares

	2018	2017
Quantity on January 1	5,965	-
Quantity given in this period	-	6,000
Quantity vested in this period	(2,341)	-
Quantity written off due to resignation in this period	(216)	(35)
Quantity on December 31	**3,408**	**5,965**

The remuneration costs recognized by the Company in 2018 and 2017 were NT$ 151,199 thousands and NT$ 45,752 thousands respectively, and the operating costs and operating expenses were accounted for. The balance of the unpaid employee remuneration of the Company on December 31, 2018 and 2017 were NT$ 75,334 thousands and NT$ 236,020 thousands, accounted for in reductions of other equity.

2. Employee stock option

It was resolved in the Board meeting in June 2010 to have the 1st employee stock option 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 option 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.

On December 31, 2017, the Company's employee stock option certificates were booked 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	48.60

The Company recognized the remuneration cost of the remuneration employee stock option plan for 2017 is NT$ 0 thousand (including the remuneration cost recognized by subsidiaries) The fair value of the stock option awarded to employees on August 10, 2011 was estimated in accordance with Black-Scholes stock option valuation model and with the weighted average information of assumptions illustrated as follows:

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

The information on the quantity and weighted average exercise price of the Company's employee stock option certificate in 2017 is disclosed as follows:

	2017	
Employee stock options	**Quantity (thousand shares)**	**Adjusted weighted average price (NT$)**
Outstanding at beginning of year	4,435	$ 50.20
Exercised	(2,458)	48.60
Forfeited	(1,944)	48.60
The number of shares transferred in the current period of employees assigned to subsidiaries	(33)	48.60
Outstanding at end of year	-	-
Options exercisable at end of year	-	-
Weighted average fair value per employee stock options (dollars)	$ 23.36	

The above employee stock option certificate was completed on August 9, 2017. From January 1 to December 31, 2017, the employee's stock option certificate has been exercised for 6,063 thousand shares (including the number of shares exercised by employees of subsidiaries) worth a total of NT$ 294,638 thousand. October 5, 2017 is designated as the capital increase base date for the issuance of new shares, and the legal change registration has been completed in this capital increase case.

The weighted average remaining duration of employee stock options outstanding on December 31, 2017 was 0 years.

(21) Earnings per share

1. Basic earnings per share

	2018	2017
Net Revenue attributable to the owner of the parent company	$ 1,950,503	1,035,505
Weighted-average number of ordinary shares outstanding during the year (in thousands of shares)	581,058	576,525
Basic earnings per share (dollars)	$ 3.36	1.80

2. Diluted earnings per share

	2018	2017
Net Revenue attributable to the owner of the parent company	$ 1,950,503	1,035,505
Weighted average number of ordinary shares outstanding during the year (in thousands of shares) (base)	581,058	576,525
Impact of dilution of potential ordinary shares (shares in thousands)	3,672	3,113
Weighted average number of ordinary shares outstanding during the year (in thousands of shares) (diluted)	584,730	579,638
Diluted earnings per share (NT$)	$ 3.34	1.79

(22) Revenue from contracts with customers

1. Details of revenues

		2018
Primary geographical markets:		
Taiwan	$	2,753,913
Mainland China		1,283,532
Japan		1,201,536
U.S.A.		1,060,459
Germany		574,270
Korea		218,937
Other countries		1,338,100
	$	**8,430,747**
Significant products:		
Solar cell		3,635,804
Solar module		350,710
Solar wafer		581,924
Solar ingot		1,608,721
Other		2,253,588
	$	**8,430,747**

For the Revenue of 2017, please refer to Note 6 (23).

2. Contract balance

		2018.12.31	2018.1.1
Contract liabilities	**$**	**1,251,743**	**1,705,158**

The change in contractual liabilities is mainly due to the advance payment of customers according to the contract, and the revenue will be recognized when the goods are transferred to customers. The opening balance of the contractual liabilities on January 1, 2018 and those from January 1, 2018 to December 31, 2018 recognized as revenue was NT$ 312,266 thousands.

(23) Operating revenue

		2017
Sales of goods	$	11,267,778
Electricity fee Revenue		11,080
Processing Revenue and labor service supply		4,122
	$	**11,282,980**

Please refer to Note 6 (22) for the amount of Revenue in 2018.

(24) Remuneration of employees and directors

In accordance with the articles of association of the Company if there is profit in the year, the company shall accrue 3% - 15% of the profit as employee's remuneration. The board of directors decides to distribute it by stock or cash, and the object of distribution includes employees meeting certain conditions; and the board of directors decides to accrue up to 3% of the above profit as directors' remuneration. The distribution of remuneration of employees and directors should be submitted and reported to the shareholders' meeting. In case the parent company has cumulative losses, it should reserve amount to make up losses before distributing remuneration to the employees and directors in pursuant to the percentage mentioned in the preceding paragraph.

The Company in 2018 accrued employee remuneration NT$ 131,990 thousands, and the director's remuneration, NT$ 44,010 thousands, which is based on the amount of the pre-tax net profit of the period deducted by employee and director remuneration, multiplied by the distribution ratio of employee and director remuneration as set out in the Articles of Association of the company. They are booked as operating costs or operating expenses for the period, in which if employees are paid by stocks, the number of shares allotted is calculated by the closing price of the ordinary share the day before the resolution of the board of directors. If there is a difference between the actual distribution amount and the estimated number of the next year, it will be treated according to the accounting estimates and the difference will be recognized as the profit and loss of the following year.

After the net profit of the Company in 2017 made up for the loss, there was still a cumulative loss, so the employees and directors were not assessed. The relevant information can be obtained from the public information observatory.

The amount of remuneration of employees and directors distributed by the above-mentioned board of directors resolution is no different from the estimated amount of 2018. The relevant information can be obtained from the public information observatory.

(25) Other Revenue

		2018	2017
Interest income	$	38,034	35,206
Dividend income		14,986	14,946
	$	53,020	50,152

(26) Other gains and losses

		2018	2017
Foreign currency exchange loss	$	(42,922)	(139,814)
Impairment loss under equity method		(227,392)	(69,501)
Realized gains (losses) on financial assets (liabilities) measured at fair value through profit or loss		11,900	(1,250)
Other		110,985	47,710
	$	(147,429)	(162,855)

(27) Financial costs

	2018	2017

Bank loan interest expense, etc.	$ 39,688	46,537

(28) Recognition of other comprehensive profit and loss shares of affiliated enterprises by equity method

	2018	2017
Exchange differences resulting from translating the financial statements of a foreign operation	$ (4,162)	(292,291)
Unrealized gains or losses on valuation of financial assets available for sales	-	55,459
Financial assets at fair value through other comprehensive income	(96,198)	-
	$ (100,360)	(236,832)

(29) Financial Instrument

1. Credit Risk

(1) Credit risk exposure

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

(2) Concentration of credit risk

The Company's material clients are in the silicon wafer industry. The 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. On December 31, 2018 and 2017, 0%, 91% and 87% of the balance of notes and accounts receivable (including related parties) of the consolidated company were composed of ten customers. In the case of credit risk concentration, the consolidated company has regularly assessed the possibility of receivables recovery and accrued appropriate allowance for losses.

(3) Credit risk of receivables and debt securities

For credit risk exposure information on notes and accounts receivables, please refer to Note 6 (5). Other financial assets measured at amortized cost include other receivables and investments and ordinary corporate bonds. (from January 1 to December 31, 2017 booked in held-to-maturity other financial assets), please refer to Note 6 (4) for details of relevant investments.

The above are all financial assets with low credit risk. Therefore, the allowance loss for the period is measured by the 12-month expected credit loss amount (for details of how the Company determines the low credit risk, please refer to Note 4 (6)).

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 or more
December 31, 2018						
Non-derivative financial liabilities						
Short term borrowings	$ 2,717,125	(2,724,434)	(2,422,995)	(301,439)	-	-
Notes and accounts payable (including related parties)	437,889	(437,889)	(437,889)	-	-	-
Long term borrowings	1,610,200	(1,710,260)	(18,304)	(18,304)	(1,172,975)	(500,677)
	$ 4,765,214	**(4,872,583)**	**(2,879,188)**	**(319,743)**	**(1,172,975)**	**(500,677)**
December 31, 2017						
Non-derivative financial liabilities						
Short term borrowings	$ 2,364,913	(2,380,350)	(674,361)	(1,705,989)	-	-
Notes and accounts payable (including related parties)	1,047,853	(1,047,853)	(1,047,853)	-	-	-
Long term borrowings	1,360,000	(1,496,214)	(8,105)	(8,105)	(732,614)	(747,390)
	$ 4,772,766	**(4,924,417)**	**(1,730,319)**	**(1,714,094)**	**(732,614)**	**(747,390)**

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. Currency risk

(1) Risk of Currency exposure

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

	2018.12.31		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary items			
USD	$ 51,287	30.715	1,575,280
JPY	2,810	0.2782	782
EUR	6,943	35.200	244,394
Investment accounted for under equity method			
USD	46,628	30.715	1,471,643
EUR	6,817	35.200	239,786
Financial liabilities			
Monetary items			
USD	10,856	30.715	333,442
JPY	9,260	0.2782	2,576
EUR	3,344	35.20	117,709

	2017.12.31		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items			
USD	$ 77,237	29.760	2,298,573
JPY	331	0.2642	87
EUR	14,084	35.570	500,968
Investment accounted for under equity method			
USD	57,009	29.760	1,696,583
EUR	9,991	35.570	355,393
Financial liabilities			
Monetary items			
USD	22,864	29.760	680,433
JPY	44,124	0.2642	11,658
EUR	5,200	35.570	184,964

(2) Sensitivity analysis

The Company's exchange rate risk primarily comes 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. In the case On December 31, 2018 and 2017, when the NTD depreciated or appreciated by 1% against USD, JPY and EUR, and all other factors remained unchanged, the pre-tax net profit for 2018 and 2017 will increase or decrease by NT$ 13,667 thousands and NT$ 19,226 thousands respectively. The analysis of the two periods was performed with the same basis.

(3) Exchange gains or losses for monetary items

The exchange rate information of the exchange gain or loss (including realized and unrealized) of the Company's monetary items converted into functional currency (i.e. the Company's expression currency) is as follows:

	2018		2017	
	Exchange profit and loss	The average exchange rate	Exchange profit and loss	The average exchange rate
USD	$ 6,903	30.149	(116,996)	30.432
EUR	(48,566)	35.60	(23,252)	34.350
JPY	(503)	0.2730	164	0.2713
Franc	4	30.81	276	30.89
RMB	(760)	4.562	(6)	4.507
	$ (42,922)		(139,814)	

4. Interest Analysis

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

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

If the interest rate increases or decreases by 0.25%, and all other variables remain unchanged, the pre-tax net profit of the consolidated company in 2018 and 2017 will decrease or increase by NT$ 8,921 thousands and NT$ 7,629 thousands respectively due to the Company's bank deposits and borrowings of the changing interest rate.

5. Other price risks

If there is a change in the price of the equity securities on the reporting day (the two phases of the analysis are based on the same basis and the other variables are assumed to be unchanged), the impact on the consolidated profit and loss item is as follows:

	2018		2017	
Price of securities on the reporting day	**Amount after other comprehensive profit and loss**	**After-tax (loss) profit**	**Amount after other comprehensive profit and loss**	**After-tax (loss) profit**
Up by 5%	$ 33,289	4,353	34,260	-
Down by 5%	(33,289)	(4,353)	(34,260)	-

6. Fair value of financial instruments

(1) Categories of financial instruments and fair value

Financial assets and liabilities measured at fair value through gain or loss and financial assets measured at fair value through other comprehensive gain or loss (available for sale financial assets) are measured at fair value on a repetitive basis. The carrying amount and fair value of various financial assets and financial liabilities (including fair value etc. information. However, if the carrying amount of financial instruments not measured at fair value is rationally similar to the fair value, and investment in equity instruments that are not quoted in the active market and whose fair value cannot be reliably measured, there is no need to disclose fair value information as required) booked as follows:

Notes to the standalone financial statements of Sino-American Silicon Products Inc. (Continued)

	2018.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Financial assets at fair value through profit or loss	**$ 87,053**	**87,053**	**-**	**-**	**87,053**
Financial assets at fair value through other comprehensive income					
Stock listed on domestic market	$ 665,784	665,784	-	-	665,784
Non-public offer equity instrument measured at fair value	135,222	-	-	135,222	135,222
	$ 801,006	**665,784**	**-**	**135,222**	**801,006**
Financial assets measured at amortized cost					
Cash and cash equivalents	851,304	-	-	-	-
Notes and accounts receivable (including related parties)	1,638,043	-	-	-	-
Other financial assets - current and non-current	33,564	-	-	-	-
Corporate bonds	281,366	-	285,466	-	285,466
Subtotal	**$ 3,085,643**	**-**	**566,832**	**-**	**566,832**
Financial liabilities measured with amortized costs					
Short term borrowings	$ 2,717,125	-	-	-	-
Notes and accounts payable (including related parties)	437,889	-	-	-	-
Long term borrowings	1,610,200	-	-	-	-
Subtotal	**$ 4,765,214**	**-**	**-**	**-**	**-**

Notes to the standalone financial statements of
Sino-American Silicon Products Inc. (Continued)

	2017.12.31				
		Fair value			
	Carrying Amount	Level I	Level II	Level III	Total
Financial assets in available-for-sale —non-current	$ 685,194	685,194	-	-	685,194
Held-to-maturity financial assets - non-current	$ 281,366	-	289,080	-	289,080
Financial assets measured at cost – non-current	$ 298,640	-	-	-	-
Loans and receivables					
Cash and cash equivalents	$ 673,428	-	-	-	-
Notes and accounts receivable (including related parties)	2,247,900	-	-	-	-
Other financial assets (current and noncurrent)	20,556	-	-	-	-
Subtotal	$ 2,941,884	-	-	-	-
Financial liabilities measured with amortized costs					
Short term borrowings	$ 2,364,913	-	-	-	-
Long term borrowings	1,360,000	-	-	-	-
Notes and accounts payable (including related parties)	1,047,853	-	-	-	-
Subtotal	$ 4,772,766	-	-	-	

(2) Valuation technique of fair value of 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 assets measured at amortized cost (held-to-maturity financial assets); if there is a public quotation in the active market, the market price is the fair value; if no market price is available for reference, the evaluation method is used to estimate or use the counterparty quotation.

(3) Valuation technique of fair value of financial instruments 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 significant exchanges and those of Central Government bonds determined as popular securities announced by the TPEx are basis of fair value for equity instruments booked 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.

If the financial instruments held by the Company belong to an active market, the fair value is booked as follows by category and attribute:

For financial assets and financial liabilities of the booked (TaiSDAQ) company's stocks, notes of exchange and corporate bonds, which are subject to standard terms and conditions and are traded in the active market, the fair value is determined by reference to market quotations.

In addition to the above-mentioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained by means of evaluation technologies or reference to counterparty quotes. The fair value obtained through the evaluation technology can be based on the current fair value of other financial instruments with similar characteristics and characteristics, the discounted cash flow method or other evaluation technologies, including the market information utilization model available on the balance sheet date (such as the reference yield curve of Taiwan Stock Exchange, Reuters commercial promissory interest rate average offer).

If the financial instruments held by the Company are in the non-active market, the fair value is booked as follows by category and attribute:

Equity instruments without public quotation: Estimates of fair value using the market comparable company method, the main assumptions are based on the earnings multiplier derived from the investee's net worth per share and the EV/EBIT comparable booked (TaiSDAQ) companies' quotes. The estimate has adjusted the depreciation impact of the lack of market liquidity of the equity securities.

(4) Reconciliation of Level 3 fair value

Financial assets at fair value through other comprehensive income

	2018
January 1, 2018	$ 298,640
Effects of retrospective application of new accounting standards	-
Re-edited balance at January 1, 2018	298,640
Newly-added this period	37,500
Recognized in other comprehensive Revenue	(200,918)
December 31, 2018	**$ 135,222**

(5) Quantitative information on the fair value measurement of significant unobservable inputs (Level 3)

The fair value measurement of the Company classified as Level 3 are mainly equity investment, financial assets measured at fair value through other comprehensive gain or loss.

The significantity of the Company's fair value classified as Level 3 has only a single significant unobservable input value, and only an equity instrument investment without an active market has multiple significant unobservable inputs. The significant unobservable inputs of equity instrument investments in an inactive market are independent of each other and therefore are not interrelated.

The list of quantitative information for significant unobservable inputs is as follows:

Item	Evaluation technology	Significant unobservable input value	Relations between significant unobservable input value and fair value
Financial assets measured at fair value through other comprehensive gain or loss -I equity instrument investment without active market	Comparable TWSE/GTSM booked company method	• Equity value multiplier (2018.12.31 is 0.13-0.97) • Lack of market liquidity discount (28%-50.57% for 2018.12.31)	• The higher the multiplier, the higher the fair value • The higher the lack of market liquidity discount, the lower the fair value

(6) The fair value of the Company's financial instruments that use Level 3 inputs to measure fair value was based on the price of the third party. The Company did not disclose quantified information and sensitivity analysis on significant unobservable inputs because the unobservable inputs used in fair value measurement were not established by the Company.

(30) Financial risk management

1. Overview

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 standalone financial statements for the quantitative disclosure in detail.

2. Structure of risk management

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.

Supervising and management personnel of the audit committee of the Company monitor the compliance of the Company's risk management policies and procedures, as well as review the adequacy of the parent company's related risk management framework for the risk faced. 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 audit committee.

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. Purchase limit is set up for each customer. The limit is 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.

(2) Investment

Credit risk on bank deposits, fixed-Revenue 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) Guarantee

Per the Company's policy, it can only provide financial guarantee to companies it has business dealing, the companies of which it holds directly or indirectly for more than 50% shares with voting right, or companies by which it is owned directly or indirectly for more than 50% shares. On December 31, 2018 and 2017, the Company did not provide any endorsement guarantees except to its subsidiaries.

4. Liquidity Risk

The Company's capital and working capital is sufficient enough to fulfill all contractual obligations; therefore, there is no liquidity risk arising from the inability of raising funds for fulfilling contractual obligations.

The bank loan is an importance source of liquidity. On December 31, 2018 and 2017, the long-term and short-term bank financing quotas unused of the Company were NT$ 4,913,625 thousands and NT$ 3,464,252 thousands 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 Revenue 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) Currency 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. The main currencies of the transactions are NTD, US Dollar, JPY and Euro.

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 booked on the Taipei Exchange (TPEx). Those equity investments are not held for trading but for strategic investment.

Please refer to Note 6 (29) for the risk of change.

(31) 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 share capital, capital reserve, retained earnings and other equity items of the Company. 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:

	2018.12.31	**2017.12.31**
Total Liabilities	$ 7,611,183	7,711,327
Less: Cash and cash equivalent	(851,304)	(673,428)
Net liabilities	**$ 6,759,879**	**7,037,899**
Total Equity	**$ 26,881,716**	**27,140,872**
Debt capital ratio	**25.15%**	**25.93%**

The net liabilities and total equity on December 31, 2018 decreased from the previous period, but the ratio of debt to capital decreased due to the large decline in net liabilities.

(32) Financing activities

The adjustment of liabilities from financing activities is as follows:

	Short term borrowings	**Long term borrowings**	**Total liabilities from financing activities**
Balance of January 1, 2018	$ 2,364,913	1,360,000	3,724,913
Cash flow			
Cash from borrowing	1,617,125	596,000	2,213,125
Repayment of borrowings	(1,264,913)	(345,800)	(1,610,713)
Balance of December 31, 2018	**$ 2,717,125**	**1,610,200**	**4,327,325**

7. Related party transactions

(1) Names and relationships of related parties

The parties involved in the transaction of the consolidated company during the period of the standalone financial statements are as follows:

Names of related parties	Relationship with the Company
Sino Silicon Technology Inc. (hereinafter referred to as "SSTI")	Subsidiaries directly held by the Company
GlobalWafers	Subsidiaries directly held by the Company
Aleo Solar GmbH(hereinafter referred to as Aleo Solar)	Subsidiaries directly held by the Company
Aleo Solar Distribuzione Italia S.r.l	Subsidiary indirectly owned by the Company
Aleo Sunrise GmbH(hereinafter referred to as Aleo Sunrise)	Subsidiary indirectly owned by the Company
SAS Sunrise Inc.	Subsidiaries directly held by the Company
Sulu Electric Power and Light Inc.(hereinafter referred to as Sulu)	Subsidiary indirectly owned by the Company (Note 1)
AMLED International Systems Inc. (hereinafter referred to as AMLED)	(Note 2)
Sino-American Materials Co., Ltd. (hereinafter referred to as Sino-American Materials)	Subsidiary indirectly owned by the Company (Note 4)
Sunrise PV World Co. (hereinafter referred to as "Sunrise PV World")	Subsidiaries directly held by the Company
Sunrise PV Five Co., Ltd. (hereinafter referred to as Sunrise PV Five)	Subsidiary indirectly owned by the Company
Sunrise PV Two Co., Ltd. (hereinafter referred to as Sunrise PV Two)	Subsidiary indirectly owned by the Company
Sunrise PV Electric Power Two (hereinafter referred to as Sunrise PV Electric)	Subsidiary indirectly owned by the Company
Sunrise PV Three Co., Ltd. (hereinafter referred to as Sunrise PV Three)	Subsidiary indirectly owned by the Company
Sunrise PV Four Co., Ltd. (hereinafter referred to as Sunrise PV Four)	Subsidiary indirectly owned by the Company
Global Semiconductor Inc. (hereinafter referred to as GSI)	Subsidiary indirectly owned by the Company
GWafers Singapore Pte.Ltd.(hereinafter referred to as GWafers Singapore)	Subsidiary indirectly owned by the Company
Topsil GlobalWafers A/S (hereinafter referred to as Topsil A/S)	Subsidiary indirectly owned by the Company
Taisil Electronic Materials Corp. (hereinafter referred to as Taisil)	Subsidiary indirectly owned by the Company
Kunshan Sino Silicon Technology Co., Ltd. (hereinafter referred to as "Kunshan Sino")	Subsidiary indirectly owned by the Company
GlobiTech Incorporated.(hereinafter referred to as GTI)	Subsidiary indirectly owned by the Company

Notes to the standalone financial statements of Sino-American Silicon Products Inc. (Continued)

Names of related parties	Relationship with the Company
GlobalWafers Japan Co., Ltd. (hereinafter referred to as "GWJ")	Subsidiary indirectly owned by the Company
Shanghai Growfast Semiconductor Technology Co.,Ltd. (hereinafter referred to as Shanghai GrowFast)	Subsidiary indirectly owned by the Company
Topsil Semiconductor sp z o.o.(hereinafter referred to as Topsil PL)	Subsidiary indirectly owned by the Company
GlobalWafers Singapore Pte. Ltd. (hereinafter referred to as GWS)	Subsidiary indirectly owned by the Company
GlobalWafers B.V. (hereinafter referred to as GWBV)	Subsidiary indirectly owned by the Company
MEMC Japan Ltd.(hereinafter referred to as MEMC Japan)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials SpA (hereinafter referred to as MEMC SpA)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials France SarL(hereinafter referred to as MEMC SarL)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials GmbH(hereinafter referred to as MEMC GmbH)	Subsidiary indirectly owned by the Company
MEMC Holding B.V.(hereinafter referred to as MEMC BV)	Subsidiary indirectly owned by the Company
MEMC Korea Company (hereinafter referred to as MEMC Korea)	Subsidiary indirectly owned by the Company
MEMC LLC (hereinafter referred to as MEMC LLC)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials, Sdn Bhd (hereinafter referred to as MEMC Sdn Bhd)	Subsidiary indirectly owned by the Company
SunEdison Semiconductor Technology (Shanghai) Ltd. (hereinafter referred to as SunEdison Shanghai)	Subsidiary indirectly owned by the Company
MEMC Ipoh Sdn Bhd (hereinafter referred to as MEMC Ipoh)	Subsidiary indirectly owned by the Company
Actron Technology Corporation (hereinafter referred to as Actron Technology)	The chairman of the Company is the same.
Solartech Energy Corp.	The Company is the main management of Solartech Energy (Note 5)
URE	The Company is the main management of URE (Note 5)
Sunshine PV. Corporation (hereinafter referred to as Sunshine PV.)	Related enterprise to URE
Ming Yang Corporation (hereinafter referred to as Ming Yang)	The Company's management is the chairman of the company (note 3)
Song Long Electronics Corporation (hereinafter referred to as Song Long Eletronics)	The Company's management is the chairman of the director of the company
Accu Solar Corporation	Affiliated enterprises of the Company
Crystalwise Technology Inc.	Affiliated enterprises of the Company
Cathy Sunrise	Affiliated enterprises of the Company

Names of related parties	Relationship with the Company
TSCS	Affiliated enterprises of the Company
Sunrise PV One Co., Ltd. (hereinafter referred to as Sunrise PV One)	Subsidiaries of affiliated enterprises of the Company
Cathy Sunrise One Co., Ltd. (hereinafter referred to as Cathy Sunrise One)	Subsidiaries of affiliated enterprises of the Company
Cathy Sunrise Two Co., Ltd. (hereinafter referred to as Cathy Sunrise Two)	Subsidiaries of affiliated enterprises of the Company
Cathy Sunrise Electric Power One (hereinafter referred to as CSEPO)	Subsidiaries of affiliated enterprises of the Company

Note 1: The Company can control the financial and operating strategies of Sulu through valid agreements with other investors of Sulu, so Sulu is considered as a subsidiary.

Note 2: The Company does not hold the ownership interests of AMLED, but the Company can control the financial and operating strategies of AMLED and obtain all the benefits of its operations and net assets in accordance with the terms of the agreements with such standalone, so AMLED is considered as a subsidiary.

Note 3: In July 2017, it was not a related party of the Company.

Note 4: Sino-American Materials Co., Ltd. has been settled by the shareholders' meeting resolution.

Note 5: The former Solartech Energy was merged and cancelled in October 2018, the existing company is renamed URE.

(2) Significant transactions with related parties

1. Operating revenue

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

	2018	2017
Subsidiary	$ 1,123,826	1,342,322
Affiliated companies	20	36,626
Other related party - Solartech Energy	194,922	927,897
Other related parties	-	34,598
	$ 1,318,768	2,341,443

In 2018 and 2017, the Company's processing Revenue to related parties was NT$ 70,124 thousands and NT$ 174,066 thousands, respectively, booked in operating cost reduction.

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

The Company's payment conditions to general customers in 2018 and 2017 are both from 0 days to O/A 120 days; to significant related parties, advance payment to O/A 90 days EOM, and 30 days after shipment to 180 days after shipment.

2. Purchase and outsourced processing

The amount of purchase and outsourced processing from the related party by the

Company is as follows:

		2018	2017
Subsidiary	$	30,367	95,915
Affiliated companies		304	-
Other related parties		25,324	18,221
	$	55,995	114,136

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

The Company's payment conditions to general suppliers in 2018 and 2017 are from O/A 0 days to O/A 150 days EOM, and O/A 0 days to O/A 120 days EOM respectively; from significant related parties as suppliers, advance payment to O/A 90 days EOM, and 7 days after shipment to O/A 60 days.

For the purchase of raw materials, the advance payment of the Company to other related parties is NT$ 1,179 thousands, accounted for under the prepaid materials.

3. Receivables from related parties

The Company’s receivables from related parties are as follows:

Account	Classification of related party		2018.12.31	2017.12.31
Receivables from related parties	Subsidiary-GlobalWafers	$	157,482	20,553
Receivables from related parties	Subsidiary-Aleo Solar		110,062	148,200
Receivables from related parties	Subsidiary-Other		15,368	127,243
Receivables from related parties	Other related parties		8	40,329
		$	282,920	336,325

The Company's sales of raw materials of subsidiaries were assessed as not recoverable. In 2018, the allowance for loss accrued was NT$ 14,107 thousands, accounted for in expected credit impairment loss.

In addition, in order to maintain the stable supply of raw materials required for production, the related parties successively signed short-term and long-term supply contracts with the Company, then the details of the advance sales receipts from related parties (respectively booked in contract liabilities - current / non-current and advance payment received - current / non-current) are as follows:

		2018.12.31	2017.12.31
Other related party-Solartech Energy	$	-	860,357
Other related party-URE		883,697	-
	$	883,697	860,357

4. Accounts payable to related parties

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

Account	Classification of related party	2018.12.31	2017.12.31
Payable to related parties	Subsidiary	$ 712	750
Payable to related parties	Other related parties	319	3,282
		$ 1,031	4,032

5. Transactions of property, plant and equipment

(1) Disposition of property, plant and equipment

The details of the sales of property, plant and equipment by the Company to related parties are as follows:

	2018		2017	
	Sale price	Receivables from related parties	Sale price	Receivables from related parties
Subsidiary	$ 627,131	-	34,513	-

The benefits realized in 2018 and 2017 were NT$ 964 thousands and NT$ 3,567 thousands respectively. On December 31, 2018 and 2017, the interests of deferred disposition of fixed assets arising from the sale of fixed assets to related parties was NT$ 27,334 thousands and NT$ 2,843 thousands, respectively.

(2) Acquisition of property, plant and equipment

The price for the Company's acquisition of property, plant and equipment from related parties is as follows:

	2018		2017	
	Amount	Payable to related parties	Amount	Payable to related parties
Subsidiary	$ 114,713	-	33,290	-

6. Revenue of management fee

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

	2018	2017
Subsidiary	$ 25,685	15,310

As of December 31, 2018 and 2017, the unrecovered management fees receivable were NT$ 7,293 thousands and NT$ 33 thousands respectively, booked in receivables from related parties.

7. Technical service Revenue

The Company collected technical service Revenue from the related parties and recorded them in the account of “Other gain or loss”. Please see detail as follows:

		2018	2017
Subsidiary	$	24,823	7,300

As of December 31, 2018 and 2017, the unrecovered technical service Revenue booked in receivables from related parties were NT$ 6,328 thousands and NT$ 1,432 thousands respectively.

8. Loan to related parties

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

		2018.12.31	2017.12.31
Subsidiary—Sulu	$	268,572	652,339
Subsidiary—Sunrise PV Five		162,000	-
Subsidiary—Sunrise PV World		150,000	-
Subsidiary—Aleo Solar		52,800	284,560
Subsidiary—Other		208,000	188,000
	$	841,372	1,124,899

For the borrowings of the subsidiaries from the Company, the interest is based on the average interest rate of the related parties borrowing from financial institutions in the year when they receive the loan, and all of above borrowings are unsecured loans. The Interest income of 2018 and 2017 were NT$ 24,096 thousands and NT$ 12,592 thousands respectively. On December 31, 2018 and 2017, interest receivable at the end of the period were NT$ 1,160 thousands and NT$ 11,859 thousands respectively, booked in receivables from related parties.

On December 31, 2018 and 2017, as the subsidiaries involved in the aforementioned transaction capitalize the interest expenses, and their unrealized interests were NT$ 4,138 thousands and NT$ 4,376 thousands respectively, booked in investment under equity method.

9. Endorsements/guarantees

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

		2018.12.31	2017.12.31
Subsidiary	$	2,458,610	3,902,240

10. Corporate bonds

In October 2016, the Company purchased the five-year private placement corporate bonds issued by its affiliated company, Crystalwise Technology, a total of 280 bonds with each face value of NT$ 1,000 totaling $ 280,000 thousands. Ther interest is paid once every six months. Both the interest rate and the coupon rate are 2%. Interest income for 2018 and 2017 were both NT$ 1,366 thousands. As December 31, 2018 and 2017, the accumulated investment cost and interest receivable were both NT$ 281,366 thousands, booked in financial assets measured at amortized cost - non-current and held to maturity financial assets - non-current items.

In January 2019, the Company purchased the private equity corporate bonds of one year from the affiliated enterprise Crystalwise Technology for NT$ 250,000 thousands. For details, please refer to Note 11.

11. Payment on behalf of others

On December 31, 2018 and 2017, the Company’s unsettled accounts receivable (payable) to related parties due to payments paid on behalf of others among related parties for materials purchase, insurance, water and electricity fee etc. were booked in accounts receivable (payable) to related parties as follows:

	2018.12.31	2017.12.31
Subsidiary	$ 26,371	37,433
Subsidiary	(4,530)	(332)
Affiliated companies	8	1,711
Affiliated companies	(62)	(40)
Other related parties	(10)	-
	$ 21,777	38,772

12. Others

(1) The Company's direct sales to the related parties is regarded as the transfer of inventories. Therefore, the sales revenue and related costs are written off when the standalone financial statements is expressed, not regarded as the sales and cost of the Company. On December 31, 2018 and 2017, the deferred Revenue arising from the above transactions were NT$ 35,500 thousands and NT$ 48,913 thousands respectively, booked in the investment under equity method.

In addition, the sales of raw materials to the subsidiaries is regarded as the transfer of inventories, and the gross loss of the sale of NT$ 54,282 thousands is deferred and booked in the investment under equity method.

(2) The Company and the related parties have a factory lease contract, and the breakdown of the rental Revenue and payables to related parties are as follows:

	2018	2017
Subsidiary	$ 8,775	1,301
Affiliated companies	2,142	2,096
Other related parties	-	11,340
	$ 10,917	14,737

Account	Classification of related party	2018.12.31	2017.12.31
Payable to related parties	Subsidiary	$ 831	71
Payable to related parties	Affiliated companies	-	265
		$ 831	336

(3) The Company and the related parties have a factory lease contract, and the breakdown of the rental Revenue and receivables from related parties are as follows:

	2018	2017
Subsidiary	$ 7,308	22,244
Affiliated companies	225	100
Other related parties	165	-
	$ 7,698	22,344

Account	Classification of related party	2018.12.31	2017.12.31
Receivables from related parties	Subsidiary	$ 1,093	3,722

(4) The Company collects from the subsidiaries entrustment fee for legal work, the related labor service Revenue is NT$ 1,500 thousands booked in receivables from related parties as follows:

Account	Classification of related party	2018.12.31	2017.12.31
Receivables from related parties	Subsidiary	$ -	1,500

(3) Key management

The remuneration to key management include:

	2018	2017
Short-term employee benefits	$ 76,792	75,727
Post-employment benefits	819	459
Share-based payment	73,612	25,659
	$ 151,223	101,845

In 2018 and 2017, the Company provided 2 vehicles with the cost of NT$ 2,204 thousands and 3 vehicles with the cost of NT$ 3,345 thousands respectively for key management personnel to use.

8. Pledged Assets

The book value of the assets mortgaged/pledged by the Company as collateral is as follows:

Asset name	Pledge or Mortgage underlying subject	2018.12.31	2017.12.31
Property, plant and equipment	Long term borrowings	$ 552,000	552,000
Time deposits (recognized in other financial assets－non-current)	Providing a guarantee for the bank to open a lease for the Science Park Bureau	7,900	7,750
Time deposits (recognized in other financial assets－non-current)	Performance bonds for Government grant provided to technology projects	13,597	1,020
		$ 573,497	560,770

9. Significant commitments and contingencies

Except as stated in Note 6 (16), other significant contingent liabilities of the Company and unrecognized contractual commitments are as follows:

(1) Significant unrecognized contractual commitments

1. The Company has negotiated the amount of future purchase in according to the current effective long-term purchase agreement and the market condition. The details are as follows:

(Expressed in thousands of foreign currency)

	2018.12.31	2017.12.31
USD	$ 1,205,750	1,406,246
EUR	$ 3,189	18,000

Silicon supplier Hemlock Semiconductor Pte. Ltd. (hereinafter referred to as Hemlock) sent a notice requesting that Company's confiscated prepayment, payment for goods not received and the interest related to the late payment in accordance with to the long-term purchase contract be accumulated to December 31, 2018 and 2017 as US$ 615,982 thousands and US$ 502,650 thousand respectively. The aforementioned purchase amount yet to be collected, except for interest, has included the amount requested by the suppliers. As the Company and Hemlock continue to trade, the Company believes that the possibility of the aforementioned interest payment is low and so does not estimate this contingent liability.

Hemlock. The subpoena and the complaint against the Company were delivered to the Company on May 12, 2015. However, the two parties reached an agreement in May 2016. Please refer to the relevant description (2) contingent liabilities.

The Company's prepayments reversal impairment to silicon raw materials suppliers in 2018 and 2017 were NT$ 258,645 thousands and NT$ 11,826 thousands respectively. On December 31, 2018 and 2017, the Company's accumulated impairment of prepayment to the silicon raw materials supplier were NT$ 669,997 thousands and NT$ 928,642 thousands respectively, net amount NT$ 536,783 thousands and NT$ 1,022,802 thousands, booked in prepaid materials and long-term prepaid materials.

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

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

(Expressed in thousands of foreign currency)

	2018.12.31	2017.12.31
USD	$ 91,640	239,996
EUR	$ 68,815	115,316
NTD	$ 54,845	54,845

3. On December 31, 2018 and 2017, the Company has signed or ordered significant construction projects and plant equipment that have not yet been delivered for inspections of NT$ 108,560 thousands and NT$ 114,856 thousands respectively.
4. On December 31, 2018 and 2017, the total amount of promissory notes deposited by the consolidated company at the bank for acquiring bank financing were NT$ 10,630,605 thousands and NT$ 6,728,990 thousands respectively.
5. On December 31, 2018 and 2017, the Company requested the bank to open a performance bond for the General Administration of Customs and the R&D plan, which amounted to NT$ 49,250 thousands and NT$ 53,250 thousands respectively.
6. The Company and the polycrystalline solar cell manufacturer (referred to as the manufacturer) signed a cooperation contract. From July 1, 2015 to March 31, 2021, the manufacturer provided factory and equipment for the Company for operational use. 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, if the accumulated distribution of operating profit amounted to a certain amount, and the Company has the right to acquire the ownership of the plant equipment for free or for a fee. As of December 31, 2018, the contract was terminated in advance.

(2) Contingent liabilities

The silicon supplier Hemlock and the Company reached an agreement in May 2016 on the inter-party lawsuit, stipulating that under certain conditions, Hemlock ceased the proceedings against the Company to April 30, 2019. The two parties signed two documents, STIPULATION OF DISCONTINUANCE and SETTLEMENT AGREEMENT. According to SETTLEMENT AGREEMENT, the Company must purchase a certain amount of silicon raw materials from Hemlock and its affiliated enterprises. In February 2019, the two parties signed a supplementary Accommodation Letter to agree to amend part of the SETLEMENT AGREEMENT, and extend the period of STIPULATION OF DISCONTINUANCE termination of the proceedings against Sino-American Silicon Products. Inc. to April 30, 2019. After that, the Company had negotiated a contract with Hemlock. As of March 21, 2019, the Company had not received any notice from the other party to restart the proceedings.

10. Losses due to major disaster: None.

11. Subsequent Events

The Company resolved by the board of directors on January 11, 2019 to subscribe for the private equity of 250 million dollars unsecured ordinary corporate bonds issued by Crystalwise Technology. The corporate bond is issued for one year and expires in January 2020. The coupon rate is 2% per annum.

12. Others

The functions of employee benefits, depreciation and amortization expenses are summarized as follows:

By Function / By item	2018			2017		
	Cost of goods sold	**Operating expenses**	**Total**	**Cost of goods sold**	**Operating expenses**	**Total**
Employee benefits						
Salary	651,338	170,896	822,234	797,113	178,218	975,331
Labor and health insurance	69,949	11,417	81,366	42,688	10,926	53,614
Pension	30,460	9,942	40,402	34,309	5,717	40,026
Directors' remuneration	-	69,115	69,115	-	22,640	22,640
Other Employee benefits	38,322	3,597	41,919	43,338	4,330	47,668
Depreciation	929,936	51,977	981,913	981,394	52,704	1,034,098

The number of employees of the Company on December 31, 2018 and 2017 were 1,026 and 1,612 respectively, of which 9 were directors (not acting as employees).

13. Other disclosures

(1) Information on significant transactions

In 2018, in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the relevant significant transactions that should be disclosed by the Company as follows:

1. Loans to other parties: Please refer to Attachment 1 for details.
2. Guarantees and endorsements for other parties: Please refer to Attachment 2 for details.
3. Securities held as of December 31, 2018 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Attachment 3 for details.
4. Individual securities acquired or disposed of with accumulated amounts exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Attachment 4 for

details.

5. Acquisition of individual real estate with amount exceeding the lower of NT$ 300 million or 20% of the capital stock: Please refer to Attachment 5 for details.
6. Disposal of individual real estate with amount exceeding the lower of NT$ 300 million or 20% of the capital stock: Please refer to Attachment 6 for details.
7. Related party transactions for purchases and sales with amounts exceeding the lower of NT$ 300 million or 20% of the capital stock: Please refer to Attachment 7 for details.
8. Receivables from related parties with amounts exceeding the lower of NT$ 100 million or 20% of the capital stock: Please refer to Attachment 8 for details.
9. Trading in derivative instruments: None.

(2) Information on investees: Please refer to Attachment 9 for details.

(3) Information on investment in mainland China:

1. Relevant information on the name and main business items of the investee company in Mainland China: Please refer to Attachment 10 (1) for details.
2. Investment quotas for Mainland China: Please refer to Attachment 10 (2) for details.

14. Segment information

For details of segment Revenue (loss), please refer to the consolidated financial statements of 2018.

Sino-American Silicon Products Inc.

Loans to other parties

For the year ended December 31, 2018

Attachment 1 Unit: NT$ Thousand

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
													Item	Value		
0	Sino-American Silicon Products Inc.	Sulu	Loan receivable – related party	Yes	928,650 (USD 30,000)	921,450 (USD 30,000)	268,572 (USD 8,744)	4.5%	2	-	Working capital	-		-	10,752,686	10,752,686
0	Sino-American Silicon Products Inc.	Sunrise PV World Co.	Loan receivable – related party	Yes	500,000	500,000	150,000	2.5%	2	-	Working capital	-		-	10,752,686	10,752,686
0	Sino-American Silicon Products Inc.	Sunrise PV Five	Loan receivable – related party	Yes	300,000	300,000	162,000	2.5%	2	-	Working capital	-		-	10,752,686	10,752,686
0	Sino-American Silicon Products Inc.	Sunrise PV Electric	Loan receivable – related party	Yes	200,000	200,000	102,000	2.5%	2	-	Working capital	-		-	10,752,686	10,752,686
0	Sino-American Silicon Products Inc.	Sunrise PV Three Energy	Loan receivable – related party	Yes	500,000	300,000	106,000	2.5%	2	-	Working capital	-		-	10,752,686	10,752,686
0	Sino-American Silicon Products Inc.	Aleo Solar	Loan receivable – related party	Yes	434,880 (EUR 12,000)	281,600 (EUR 8,000)	52,800 (EUR 1,500)	2.0%	2	-	Working capital	-		-	10,752,686	10,752,686
0	Sino-American Silicon Products Inc.	Aleo Sunrise	Loan receivable – related party	Yes	434,880 (EUR 12,000)	-	-	2.0%	2	-	Working capital	-		-	10,752,686	10,752,686

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
													Item	Value		
1	SSTI	Sulu	Loan receivable – related party	Yes	215,005 (USD 7,000)	215,005 (USD 7,000)	215,005 (USD 7,000)	4.0%	2	-	Working capital	-		-	389,344	389,344
1	SSTI	AMLED	Loan receivable – related party	Yes	329,671 (USD 10,650)	119,789 (USD 3,900)	119,789 (USD 3,900)	4.0%	2	-	Working capital	-		-	389,344	389,344
2	SAS Sunrise Inc.	Sulu	Loan receivable – related party	Yes	236,840 (USD 8,000)	190,433 (USD 6,200)	187,054 (USD 6,090)	4.0%	2	-	Working capital	-		-	199,313	199,313
3	Sulu	AMLED	Loan receivable – related party	Yes	111,642 (USD 3,824)	-	-	4.0%	2	-	Working capital	-		-	179,181	179,181
4	Aleo Solar	Aleo Sunrise	Loan receivable – related party	Yes	289,920 (EUR 8,000)	281,600 (EUR 8,000)	281,600 (EUR 8,000)	2.0%	2	-	Working capital	-		-	239,786	239,786 Note 4
5	SAS Sunrise Pte. Ltd.	Sulu	Loan receivable – related party	Yes	245,720 (USD 8,000)	-	-	4.0%	2	-	Working capital	-		-	214,059	214,059
5	SAS Sunrise Pte. Ltd.	AMLED	Loan receivable – related party	Yes	213,776 (USD 6,960)	213,776 (USD 6,960)	213,776 (USD 6,960)	4.0%	2	-	Working capital	-		-	214,059	214,059
6	GlobalWafers	Taisil	Loan receivable – related party	Yes	2,500,000	-	-	1.5%	2	-	Working capital	-		-	17,255,782	17,255,782
7	GWJ	GlobalWafers	Loan receivable – related party	Yes	4,173,000	4,173,000	4,173,000	0.47091% - 0.53091%	1	6,564,463	Business transactions	-		-	6,564,463	5,430,209
7	GWJ	MEMC Japan	Loan receivable – related party	Yes	278,200	278,200	-	0.56091%	2	-	Working capital	-		-	2,715,105	5,430,209
8	MEMC SpA	GWS	Loan receivable – related party	Yes	2,826,720	2,745,600	2,145,431	3.559%	2	-	Working capital	-		-	11,348,657	11,348,657
9	Taisil	GlobalWafers	Loan receivable – related party	Yes	5,700,000	5,700,000	5,700,000	1.5%	2	-	Working capital	-		-	6,434,620	6,434,620

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
													Item	Value		
10	GTI	Topsil A/S	Loan receivable – related party	Yes	87,585	-	-	6%	2	-	Working capital	-		-	3,492,437	3,492,437
10	GTI	MEMC LLC	Loan receivable – related party	Yes	671,485	-	-	3.62%	2	-	Working capital	-		-	3,492,437	3,492,437

Note 1: The entry method for the loaning of funds is as follows:
(1) For business transactions, please fill in 1.
(2) Necessary for short-term financing, please fill in 2.

Note 2: (1) For the Company's loan of funds to those having business transactions, the individual loan is limited to the trade amount between the two parties in the most recent year; for the loan of funds to companies necessary for short-term financing, the individual loan is limited to 40% of the net worth of the company that lends loan; for loan of funds among foreign companies that the Company directly and indirectly holds 100% of the voting shares, the individual loan is limited to 40% of the net worth of the company that lends loan.
(2) For GlobalWafers and its subsidiaries' loan of funds to those having business transactions, the individual loan is limited to the trade amount between the two parties in the most recent year; for the loan of funds to companies necessary for short-term financing, the individual loan is limited to 40% of the net worth of GlobalWafers; for loan of funds among foreign companies that GlobalWafers directly and indirectly holds 100% of the voting shares, or between the foreign companies and GlobalWafers, the individual loan is limited to 40% of the net worthof GlobalWafers.

Note 3: (1) For the Company's loan of funds to those having business transactions, the total loan is limited to 40% of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 40% of the net worth of the company that lends loan; for loan of funds among foreign companies that the company that lends loan directly and indirectly holds 100% of the voting shares, the total loan is limited to 2 times of the net worth of the company that lends loan.
(2) For GlobalWafers and its subsidiaries' loan of funds to those having business transactions, the total loan is limited to 40% of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 40% of the net worth of the company that lends loan; for loan of funds among foreign companies that GlobalWafers directly and indirectly holds 100% of the voting shares, or between the foreign companies and GlobalWafers, the total loan is limited to 2 times of the net worthof GlobalWafers.
(3) For loan of funds of Aleo Solar, the total loan is limited to 100% of the net worth of the company that lends loan.
(4) For loan of funds of SSTI, SAS Sunrise Inc., SAS Sunrise Pte Ltd., Suluto and Sunrise PV World to those having business transactions, the total loan is limited to 40% of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 40% of the net worth of the company that lends loan; for loan of funds among foreign companies that the company that lends loan directly and indirectly holds 100% of the voting shares, the total loan is limited to 40% of the net worth of the company that lends loan.

Note 4: Due to the change of the plan, the loan of funds exceeds quota. Improvement plans have been made in accordance with regulations.

Note 5: Transactions with consolidated parties as mentioned above were eliminated when preparing the consolidated reports.

Sino-American Silicon Products Inc.
Guarantees and endorsements for other parties
For the year ended December 31, 2018

Attachment 2

Unit: NT$ Thousand

No.	Name of guarantor	Counter party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period (Notes 3, 9 and 10)	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary (Notes 3, 9 and 10)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	Sino-American Silicon Products Inc.	SAS Sunrise Inc.	2	26,881,716	247,640 (USD 8,000) (Note 4)	245,720 (USD8,000)	162,790 (USD 5,300)	-	0.91%	26,881,716	Y	N	N
0	Sino-American Silicon Products Inc.	SAS Sunrise Pte. Ltd.	2	26,881,716	619,100 (USD 20,000) (Note 5)	-	-	-	- %	26,881,716	Y	N	N
0	Sino-American Silicon Products Inc.	Sulu	2	- (Note 7)	1,423,930 (USD 46,000) (Note 6)	1,412,890 (USD 46,000)	1,412,890 (USD 46,000) (Note 6)	-	5.26%	- (Note 7)	Y (Note 8)	N	N
0	Sino-American Silicon Products Inc.	Sunrise PV World Co.	2	26,881,716	200,000	200,000	1,150	-	0.74%	26,881,716	Y	N	N
0	Sino-American Silicon Products Inc.	Sunrise PV World and its 100% owned subsidiaries	2	26,881,716	1,500,000	500,000	-	-	1.86%	26,881,716	Y	N	N
0	Sino-American Silicon Products Inc.	Sunrise PV World Co.	2	26,881,716	100,000	100,000	-	-	0.37%	26,881,716	Y	N	N

No.	Name of guarantor	Counter party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period (Notes 3, 9 and 10)	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary (Notes 3, 9 and 10)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
1	GlobalWafers	Topsil A/S	2	43,139,455	120,250	117,500	17,625	-	0.27%	129,418,365	N	N	N
1	GlobalWafers	GWJ	2	43,139,455	275,400	-	-	-	- %	129,418,365	N	N	N
1	GlobalWafers	MEMC LLC	2	43,139,455	464,325	-	-	-	- %	129,418,365	N	N	N
1	GlobalWafers	MEMC Korea	2	43,139,455	773,875	-	-	-	- %	129,418,365	N	N	N
1	GlobalWafers	GWS	2	43,139,455	1,857,300	1,842,900	614,300	-	4.27%	129,418,365	N	N	N
1	GlobalWafers	Taisil	2	43,139,455	200,000	-	-	-	- %	129,418,365	N	N	N
1	GlobalWafers	Taisil	2	43,139,455	1,857,300	-	-	-	- %	129,418,365	N	N	N
2	GTI	MEMC	2	43,655,460	462,450	460,725	98,013	-	5.28%	43,655,460	N	N	N
3	Sunrise PV World Co.	Sunrise PV Four	2	986,932	170	170	170	-	0.07%	986,932	N	N	N
3	Sunrise PV World Co.	Sunrise PV Three Energy	2	986,932	421	421	421	-	0.17%	986,932	N	N	N

Note 1: The method of filling the nature of endorsement guarantee is as follows:
(1) The issuer fills in 0.
(2) The investee company is numbered sequentially by the company starting from the Arabic number 1.

Note 2: There are the following seven types of relationship between the endorsement guarantor and the endorsed object:
(1) A company with business transactions.
(2) Companies that the Company directly and indirectly holds more than 50% of the voting shares.
(3) Companies that directly and indirectly holds more than 50% of the voting shares of the Company.
(4) Among companies that the Company directly and indirectly holds more than 90% of the voting shares.
(5) Companies in the same industry or joint constrctors that are mutually guaranteed under contractual requirements based on the needs of contracting project.
(6) A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to the joint investment relationship.
(7) The joint performance guarantee of the pre-sale house sales contract among companies in the same industry in accordance with Consumer protection law.

Note 3: The amount of endorsements/guarantees provided by the endorsement guarantor company for a single enterprise is limited to 10% of the net worth of the company providing the endorsements/guarantees, but for the subsidiary company, limited to one time of the net worth of the company providing the endorsements/guarantees. The total amount of accumulated endorsements/guarantees shall not exceed the net worth of the Company. The total amount of the Company's endorsements/guarantees and that for a single enterprise shall not exceed five times the net worth of the company providing endorsements/guarantees. The aforesaid net worth is based on the financial statements recently audited or reviewed by an accountant. For endorsements/guarantees due to business transactions, except subject to the provisions of the preceding item, the endorsement guarantee amount should be equal to the higher of the purchase or sales amount.

Note 4: This amount is USD 8,000 thousands individual quota for SAS Sunrise Inc..

Note 5: This amount is USD 20,000 thousands joint quota for SAS Sunrise Pte. Ltd. and Sulu.

Note 6: Sulu shares with the company a quota of USD 10,000 thousands and Sulu's individual quota is USD 36,000 thousands. The Company resolved on October 14, 2016 by the board of directors to repay part of the loan, and reduce the endorsements/guarantees quota to USD 46,000 thousands and repay the bank loan on October 19, 2016. The actual disbursement amount was reduced to USD 46,000 thousands.

Note 7: The endorsements/guarantees quota for Sulu is calculated as US$ 46,211 thousands, the amount of sales at the time of endorsements/guarantees.

Note 8: The Company controls the financial and operating strategies of Sulu through effective agreements with other investors of Sulu, so Sulu is considered as a subsidiary.

Note 9: The method of endorsements/guarantees of GlobalWafers and its subsidiaries s are as follows:

(1) The total amount of accumulated endorsements/guarantees of GlobalWafers shall not exceed three times the net worth of the most recent financial statements of GlobalWafers.

(2) The amount of endorsements/guarantees of GlobalWafers for a single enterprise shall not exceed 10% of the net worth of the most recent financial statements of GlobalWafers. For subsidiaries, 1 time of the net worth of GlobalWafers.

(3) Taisil's performance bond for duty paid after customs release is NT$ 5,000 thousands.

Note 10: The method of endorsements/guarantees of Sunrise PV World and its subsidiaries s are as follows:

(1) The total amount of accumulated endorsements/guarantees of Sunrise PV World shall not exceed four times the net worth of the most recent financial statements of Sunrise PV World.

(2) The amount of endorsements/guarantees of Sunrise PV World for a single enterprise shall not exceed 10% of the net worth of the most recent financial statements of GlobalWafers. For subsidiaries, 4 times of the net worth of GlobalWafers.

(3) The total amount of Sunrise PV World's endorsements/guarantees and that for a single enterprise shall not exceed five times the net worth of the most recent financial statements of Sunrise PV World.

(4) For endorsements/guarantees due to business transactions, except subject to the provisions of the preceding item, the endorsement guarantee amount of Sunrise PV World should be equal to the higher of the purchase or sales amount.

Sino-American Silicon Products Inc.

Securities held as of December 31, 2018 (excluding investment in subsidiaries, associates and joint ventures)

December 31, 2018

Attachment 3

Unit: NT$ thousand / thousand shares / thousand sheets; thousand units

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				% of highest capital contribution in the period	Remarks
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
Sino-American Silicon Products Inc.	Corporate bonds of Crystalwise Technology	Affiliated companies	Financial assets measured at amortized cost	280	281,366	- %	285,466	- %	
Sino-American Silicon Products Inc.	Stocks of URE	Sino-American Silicon Products Inc. is the main management of URE	Financial assets at fair value through other comprehensive income	34,492	270,073	1.37%	270,073	1.37%	
Sino-American Silicon Products Inc.	Stock of Actron Technology	Chairman of the parent company is also the Chairman of Sino-American Silicon Products Inc.	Financial assets at fair value through other comprehensive income	3,210	319,427	4.29%	319,427	4.29%	
Sino-American Silicon Products Inc.	Stock of Powertec Energy Corporation	-	Financial assets at fair value through other comprehensive income	30,410	130,764	2.31%	130,764	2.31%	
Sino-American Silicon Products Inc.	Stock of Giga Epitaxy Technology Corp.	-	Financial assets at fair value through other comprehensive income	395	4,458	1.52%	4,458	1.52%	
Sino-American Silicon Products Inc.	Stock of Big Sun	-	Financial assets at fair value through other comprehensive income	7,500	-	0.41%	-	0.41%	
Sino-American Silicon Products Inc.	Stock of Phoenix Silicon International Corporation	-	Financial assets at fair value through other comprehensive income	1,956	76,284	1.48%	76,284	1.48%	
SSTI	Stock of SILFAB SPA	-	Financial assets at fair value through other comprehensive income	300	364,025	15.00%	364,025	15.20%	
GlobalWafers	Stock of Phoenix Silicon International Corporation	-	Financial assets at fair value through other comprehensive income	1,324	51,636	1.00%	51,636	1.00%	
Sino-American Silicon Products Inc.	Stock of SONGLONG ELECTRONICS CO., LTD.	Sino-American Silicon Products Inc.’s management is the director of the company	Financial assets at fair value through profit or loss	221	-	13.81%	-	13.81%	
Sino-American Silicon Products Inc.	Stock of Styrene Monomer	-	Financial assets at fair value through profit or loss	3,869	87,053	0.73%	87,053	0.73%	

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				% of highest capital contribution in the period	Remarks
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
Sino-American Silicon Products Inc.	Stock of 21-Century Silicon Inc.	-	Financial assets at fair value through profit or loss	1,000	-	- %	-	- %	
Sino-American Silicon Products Inc.	Stock of Sunshine PV Corp.	Related enterprise to URE	Financial assets at fair value through profit or loss	3,399	-	4.98%	-	4.98%	
SSTI	Stock of Clean Venture 21 Corporation	-	Financial assets at fair value through profit or loss	10	-	7.20%	-	7.20%	
GlobalWafers	Stock of Styrene Monomer	-	Financial assets at fair value through profit or loss	4,000	90,000	0.76%	90,000	0.76%	
GlobalWafers	China Minfa Advantage Venture Capital Limited Partnership	-	Financial assets at fair value through profit or loss	-	64,697	3.85%	64,697	3.85%	

Sino-American Silicon Products Inc.

Accumulatively buy or sell the same marketable securities amounting to NT$ 300 million or 20% of paid-in capital

For the year ended December 31, 2018

Attachment 4

Unit: thousand shares /NT$ thousand

Buying and selling companies	Types and names of securities	Account titles	Counter party	Relationship	Beginning of the period		Buy		Sell				End of the period	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Carrying cost	Disposition gain or loss	Number of shares	Amount
Sino-American Silicon Products Inc.	Stock of Taiwan Special Chemicals	Investment accounted for under equity method	Xin Ma Investment Consulting Co., Ltd.	-	-	-	90,000	990,000	-	-	-	-	90,000	918,163 (Note)

Note: including investment gain or loss recognized this quarter.

Sino-American Silicon Products Inc.

Acquisition of individual real estate with amount exceeding the lower than NT$300 million or 20% of the capital stock

For the year ended December 31, 2018

Attachment 5

Unit: NT$ Thousand

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter party is a related party, disclose the previous transfer information				References for determining price	acquisition and current condition	Other
							Owner	Relationship with the Company	Date of transfer	Amount			
GlobalWafers	Property, plant and equipment	January and May 2018	625,136	Already paid in full amount	The Company	Parent company and subsidiary	-	-	-	-	Accounted for at fair value	For operational use	None

Sino-American Silicon Products Inc.

Disposal of individual real estate with amount exceeding the lower than NT$ 300 million or 20% of the capital stock

For the year ended December 31, 2018

Attachment 6 Unit: NT$ Thousand

Name of company	Type of property	Transaction date	Acquisition date	Book value	Transaction amount	Amount actually receivable	Gain from disposal	Counter-party	Nature of relationship	Purpose of disposal	Price reference	Other terms
Sino-American Silicon Products Inc.	Property, plant and equipment	January and May 2018	April 2006 - September 2017	597,336	625,594	Has been fully recovered	28,258	GlobalWafers	Parent company and subsidiary	For operational use	Accounted for at fair value	None
MEMC Ipoh	Plant	February 2018	February 2008	158,283	309,009	Has been fully recovered	150,726	Kamaya Electric (M) Sdn. Bhd.	Non-related parties	Capacity configuration	Accounted for at fair value	None

Sino-American Silicon Products Inc.

Related party transactions for purchases and sales with amounts exceeding the lower than NT$ 300 million or 20% of the capital stock

For the year ended December 31, 2018

Attachment 7

Unit: NT$ Thousand

Name of company	Related party	Nature of relationship	Transaction situation				Transactions with terms different from others		Notes/Accounts receivable (payable)		Remarks
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Sino-American Silicon Products Inc.	Solartech Energy Corp.	The parent company is the management of Solartech Energy Corp.	Sales	(194,923)	(2)%	Net 45 days	-		-	- %	
Sino-American Silicon Products Inc.	Aleo Solar	Subsidiaries directly held by the parent company.	Sales	(447,303)	(5)%	Net 90 days	-		110,062	14%	Note
Aleo Solar	Aleo Solar Distribuzion Italia S.r.l	Subsidiaries indirectly held by the parent company.	Sales	(264,258)	(16)%	Net 60 days	-		72,644	51%	Note
Aleo Solar	Aleo Sunrise	Subsidiaries indirectly held by the parent company.	Purchase	145,247	14%	Net 14 days	-		(108,143)	(44)%	Note
Sunrise PV World Co.	Sunrise PV One	Subsidiary and affiliated enterprise of Sino-American Silicon Products Inc.	Sales	(935,265)	(94)%	15 days after the contract is agreed	-		42,849	85%	
GlobalWafers	Sino-American Silicon Products Inc.	Subsidiaries directly held by the parent company.	Purchase	669,431	4%	O/A 30 days EOM	-		(161,758)	(5)%	Note
GlobalWafers	GTI	Subsidiaries indirectly held by the parent company.	Purchase	1,944,060	12%	O/A 60 days	-		(313,206)	(9)%	Note
GlobalWafers	Kunshan Sino	Subsidiaries indirectly held by the parent company.	Purchase	2,661,905	16%	O/A 60 days	-		(547,518)	(16)%	Note

Name of company	Related party	Nature of relationship	Transaction situation				Transactions with terms different from others		Notes/Accounts receivable (payable)		Remarks
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
GlobalWafers	GWJ	Subsidiaries indirectly held by the parent company.	Purchase	6,564,463	40%	O/A 60-90 days	-		(1,714,488)	(51)%	Note
GlobalWafers	Topsil A/S	Subsidiaries indirectly held by the parent company.	Purchase	528,318	3%	O/A 30-60 days	-		(45,031)	(1)%	Note
GlobalWafers	GWS	Subsidiaries indirectly held by the parent company.	Purchase	372,841	2%	O/A 60 days	-		(70,979)	(2)%	Note
GlobalWafers	Taisil	Subsidiaries indirectly held by the parent company.	Purchase	125,611	1%	O/A 60 days	-		(46,433)	(1)%	Note
Taisil	GlobalWafers	Subsidiaries indirectly held by the parent company.	Purchase	451,866	3%	O/A 45-60 days	-		(72,564)	(2)%	Note
GWS	GlobalWafers	Subsidiaries indirectly held by the parent company.	Purchase	1,456,325	11%	O/A 60 days	-		(215,973)	(6)%	Note
MEMC Korea	GlobalWafers	Subsidiaries indirectly held by the parent company.	Purchase	825,874	6%	O/A 60 days	-		(315,552)	(8)%	Note
MEMC SpA	GlobalWafers	Subsidiaries indirectly held by the parent company.	Purchase	644,521	5%	O/A 60 days	-		(184,188)	(5)%	Note
GTI	GlobalWafers	Subsidiaries indirectly held by the parent company.	Purchase	3,539,263	26%	O/A 45 days	-		(325,569)	(9)%	Note
Kunshan Sino	GlobalWafers	Subsidiaries indirectly held by the parent company.	Purchase	1,197,780	9%	O/A 30-135 days	-		(101,895)	(3)%	Note
GWJ	GlobalWafers	Subsidiaries indirectly held by the parent company.	Purchase	1,610,451	12%	O/A 60-90 days	-		(457,509)	(12)%	Note
Actron Technology Corporation	GlobalWafers	Chairman of the parent company is also the Chairman of Sino-American Silicon Products Inc.	Purchase	244,481	2%	O/A 60 days EOM	-		(64,950)	(2)%	
Topsil A/S	GlobalWafers	Subsidiaries indirectly held by the parent company.	Purchase	348,946	3%	O/A 30-60 days	-		(88,894)	(2)%	Note

Name of company	Related party	Nature of relationship	Transaction situation				Transactions with terms different from others		Notes/Accounts receivable (payable)		Remarks
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
GWS	MEMC LLC	Subsidiaries indirectly held by the parent company.	Sales	(754,906)	(3)%	O/A 60 days	-		110,273	3%	Note
GWS	MEMC LLC	Subsidiaries indirectly held by the parent company.	Purchase	840,682	4%	O/A 60 days	-		(187,532)	(5)%	Note
GWS	MEMC Sdn Bhd	Subsidiaries indirectly held by the parent company.	Purchase	1,894,541	10%	O/A 60 days	-		(309,702)	(9)%	Note
GWS	MEMC Sdn Bhd	Subsidiaries indirectly held by the parent company.	Sales	(789,994)	(3)%	O/A 60 days	-		120,333	3%	Note
GWS	MEMC SpA	Subsidiaries indirectly held by the parent company.	Purchase	3,344,615	18%	O/A 60 days	-		(861,178)	(25)%	Note
GWS	MEMC SpA	Subsidiaries indirectly held by the parent company.	Sales	(3,211,255)	(14)%	O/A 60 days	-		578,286	16%	Note
GWS	MEMC Korea	Subsidiaries indirectly held by the parent company.	Purchase	1,924,133	10%	O/A 60 days	-		(309,702)	(9)%	Note
GWS	MEMC Korea	Subsidiaries indirectly held by the parent company.	Sales	(148,090)	(1)%	O/A 60 days	-		3,940	- %	Note
GWS	MEMC Japan	Subsidiaries indirectly held by the parent company.	Purchase	4,093,919	22%	O/A 60 days	-		(728,119)	(21)%	Note
GWS	MEMC Japan	Subsidiaries indirectly held by the parent company.	Sales	(1,414,201)	(6)%	O/A 60 days	-		252,803	7%	Note
GWS	Taisil	Subsidiaries indirectly held by the parent company.	Purchase	5,147,816	28%	O/A 60 days	-		(861,178)	(25)%	Note
GWS	Taisil	Subsidiaries indirectly held by the parent company.	Sales	(1,381,626)	(6)%	O/A 60 days	-		228,430	6%	Note

Note: Transactions with consolidated parties as mentioned above were eliminated when preparing the consolidated reports.

Sino-American Silicon Products Inc.

Receivables from related parties with amounts exceeding the lower than NT$ 100 million or 20% of the capital stock

December 31, 2018

Attachment 8

Unit: NT$ Thousand

Name of company	Counter party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts
					Amount	Action taken		
Sino-American Silicon Products Inc.	Aleo Solar	Subsidiaries directly held by the parent company.	110,062	3.46%	-		82,429	-
Sino-American Silicon Products Inc.	Sulu	Subsidiaries indirectly held by the parent company.	269,169	Note 2	-		-	-
Sino-American Silicon Products Inc.	GlobalWafers	Subsidiaries directly held by the parent company.	161,758	6.7%	-		105,859	-
Sino-American Silicon Products Inc.	Sunrise PV World Co.	Subsidiaries directly held by the parent company.	150,154	Note 2	-		-	-
Sino-American Silicon Products Inc.	Sunrise PV Five	Subsidiaries indirectly held by the parent company.	162,166	Note 2	-		-	-
Sino-American Silicon Products Inc.	Sunrise PV Three Energy	Subsidiaries indirectly held by the parent company.	106,109	Note 2	-		-	-
Sino-American Silicon Products Inc.	Sunrise PV Electric	Subsidiaries indirectly held by the parent company.	102,105	Note 2	-		-	-
SSTI	AMLED	Subsidiaries indirectly held by the parent company.	123,556	Note 2	-		-	-
SSTI	Sulu	Subsidiaries indirectly held by the parent company.	215,264	Note 2	-		-	-
SAS Sunrise Inc.	Sulu	Subsidiaries indirectly held by the parent company.	191,872	Note 2	-		-	-

Name of company	Counter party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts
					Amount	Action taken		
Aleo Solar	Aleo Sunrise	Subsidiaries indirectly held by the parent company.	281,600	Note 2	-		-	-
SAS Sunrise Pte. Ltd.	AMLED	Subsidiaries indirectly held by the parent company.	275,211	Note 2	-		-	-
GlobalWafers	GTI	Subsidiaries indirectly held by the parent company.	325,569	10.53%	-		325,569	-
GlobalWafers	GWJ	Subsidiaries indirectly held by the parent company.	457,509	3.86%	-		310,014	-
GlobalWafers	Taisil	Subsidiaries indirectly held by the parent company.	101,895	12.79%	-		101,895	-
GlobalWafers	GWS	Subsidiaries indirectly held by the parent company.	215,973	13.49%	-		215,973	-
GlobalWafers	MEMC Korea	Subsidiaries indirectly held by the parent company.	315,552	5.23%	-		-	-
GlobalWafers	MEMC SpA	Subsidiaries indirectly held by the parent company.	184,188	7.00%	-		167,207	-
Taisil	GlobalWafers	Subsidiaries indirectly held by the parent company.	5,700,000	Note 2	-		-	-
GTI	GlobalWafers	Subsidiaries indirectly held by the parent company.	313,206	7.05%	-		313,206	-
Kunshan Sino	GlobalWafers	Subsidiaries indirectly held by the parent company.	547,518	5.52%	-		316,460	-
GWJ	GlobalWafers	Subsidiaries indirectly held by the parent company.	1,714,488	4.09%	-		972,326	-
GWJ	GlobalWafers	Subsidiaries indirectly held by the parent company.	4,173,000	Note 2	-		-	-
GWS	MEMC Sdn Bhd	Subsidiaries indirectly held by the parent company.	309,612	6.12%	-		309,612	-
GWS	MEMC Japan	Subsidiaries indirectly held by the parent company.	728,119	5.99%	-		726,851	-
GWS	MEMC SpA	Subsidiaries indirectly held by the parent company.	578,286	6.83%	-		578,286	-

Name of company	Counter party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts
					Amount	Action taken		
GWS	MEMC LLC	Subsidiaries indirectly held by the parent company.	110,273	2.31%	-		110,273	-
GWS	Taisil	Subsidiaries indirectly held by the parent company.	228,430	12.04%	-		228,430	-
MEMC Sdn Bhd	GWS	Subsidiaries indirectly held by the parent company.	120,333	6.16%	-		120,333	-
MEMC SpA	GWS	Subsidiaries indirectly held by the parent company.	2,145,431	Note 2	-		-	-
MEMC SpA	GWS	Subsidiaries indirectly held by the parent company.	861,178	5.72%	-		722,673	-
MEMC Korea	GWS	Subsidiaries indirectly held by the parent company.	309,702	8.74%	-		309,702	-
MEMC Japan	GWS	Subsidiaries indirectly held by the parent company.	252,803	5.96%	-		252,803	-
Taisil	GWS	Subsidiaries indirectly held by the parent company.	861,178	7.26%	-		-	-
MEMC LLC	GWS	Subsidiaries indirectly held by the parent company.	187,532	5.26%	-		187,532	-

Note 1: The amount recovered after February 26, 2019.

Note 2: Receivables from related parties generated by financing.

Note 3: The above transactions related to the consolidated standalone have been written off when preparing the consolidated financial statements.

Sino-American Silicon Products Inc.

Information on investees (excluding information on investees in Mainland China)

For the year ended December 31, 2018

Attachment 9

Unit: NT$ Thousand

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2018			Net income (losses) of investee	Share of profits/losses of investee	Remarks
				December 31, 2018	December 31, 2017	Shares (thousands)	Percentage of Ownership	Carrying value			
Sino-American Silicon Products Inc.	SSTI	British Virgin Islands	Investment and triangular trade center with subsidiaries in China	1,425,603 (USD 45,255)	1,425,603 (USD 45,255)	48,526	100.00%	973,360	33,705	33,705	Subsidiary Note 5
Sino-American Silicon Products Inc.	GlobalWafers	Taiwan	Semiconductor silicon wafer materials and components manufacturing and trade	8,955,952	8,864,946	222,727	51.17%	22,074,512	13,630,674	6,932,303	Subsidiary
Sino-American Silicon Products Inc.	Crystalwise Technology Inc.	Taiwan	Optical wafer and substrate manufacturing and trade	2,010,843	2,010,843	65,923	40.11%	415,391	(451,676)	(183,103)	Affiliated companies Note 2
Sino-American Silicon Products Inc.	Sino-American Materials Co., Ltd.	Taiwan	EVA film for solar modules manufacturing and sale	-	90,000	-	- %	-	(484)	(435)	-
Sino-American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar energy system provider	112,193	112,193	7,452	24.70%	65,648	(29,981)	(7,528)	Affiliated companies
Sino-American Silicon Products Inc.	Aleo Solar	Prenzlau	Solar cell manufacturing and sale and wholesale of electronic materials	558,139 (EUR 13,500)	558,139 (EUR 13,500)	Note 1	100.00%	239,786	(113,212)	(113,212)	Subsidiary Note 2
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Cayman	Reinvestments in various businesses	794,373 (USD 24,500)	794,373 (USD 24,500)	24,500	100.00%	498,283	(118,642)	(118,642)	Subsidiary
Sino-American Silicon Products Inc.	Sunrise PV World Co.	Taiwan	Power generating business	300,000	300,000	30,000	100.00%	246,733	(52,097)	(52,097)	Subsidiary

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2018			Net income (losses) of investee	Share of profits/losses of investee	Remarks
				December 31, 2018	December 31, 2017	Shares (thousands)	Percentage of Ownership	Carrying value			
Sino-American Silicon Products Inc.	Cathy Sunrise	Taiwan	Power generating business	450,000	450,000	45,000	30.00%	464,252	47,108	11,616	Affiliated companies
Sino-American Silicon Products Inc.	TSCS	Taiwan	Semiconductor special gas and chemical material manufacturer	990,000	-	90,000	30.93%	918,163	(504,689)	(71,833)	Affiliated companies Note 2
Sunrise PV World Co.	Sunrise PV Electric	Taiwan	Power generating business	42,000	30,000	4,200	100.00%	43,875	2,264	-	Sub-subsidiary Note 8
Sunrise PV World Co.	Sunrise PV Two	Taiwan	Power generating business	15,000	15,000	1,500	100.00%	14,898	(88)	-	Sub-subsidiary Note 8
Sunrise PV World Co.	Sunrise PV Three Energy	Taiwan	Power generating business	15,000	15,000	1,500	100.00%	16,342	1,441	-	Sub-subsidiary Note 8
Sunrise PV World Co.	Sunrise PV Four	Taiwan	Power generating business	100,000	100,000	10,000	100.00%	100,403	443	-	Sub-subsidiary Note 8
Sunrise PV World Co.	Sunrise PV Five	Taiwan	Power generating business	65,000	65,000	6,500	100.00%	74,871	9,746	-	Sub-subsidiary Note 8
SAS Sunrise Inc.	SAS Sunrise Pte.Ltd.	Singapore	Reinvestments in various businesses	719,292 (USD 22,000)	719,292 (USD 22,000)	30,934	100.00%	535,148	(104,384)	-	Sub-subsidiary Note 8
SAS Sunrise Pte.Ltd.	AMLED	Philippines	Reinvestments in various businesses	-	-	-	- %	-	-	-	Sub-subsidiary Note 6 and 8
SAS Sunrise Pte.Ltd.	Sulu	Philippines	Power generating business	440,667 (USD 13,435)	440,667 (USD 13,435)	420,000	40.00%	324,580	(109,669)	-	Sub-subsidiary Note 8
AMLED	Sulu	Philippines	Power generating business	297,229 (USD 9,065)	297,229 (USD 9,065)	472,500	45.00%	194,941	(109,669)	-	Sub-subsidiary Note 8
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Italy	Solar cell manufacturing and sale and wholesale of electronic materials	4,078 (EUR 100)	4,078 (EUR 100)	Note 1	100.00%	1,594	(5,207)	-	Sub-subsidiary Note 8
Aleo Solar	Aleo Sunrise	Germany	Manufacturing of solar cell as well as sale and wholesale of electronic materials	91,250	91,250	Note 1	100.00%	(55,251)	147,324	-	Sub-subsidiary Note 8

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2018			Net income (losses) of investee	Share of profits/losses of investee	Remarks
				December 31, 2018	December 31, 2017	Shares (thousands)	Percentage of Ownership	Carrying value			
GlobalWafers	GWI	Cayman	Reinvestments in various businesses	2,241,668 (USD 73,423)	2,241,668 (USD 73,423)	90,000	100.00%	5,677,436	1,903,803	-	Sub-subsidiary Note 8
GlobalWafers	GSI	Cayman	Business investment and triangular trade center with subsidiaries in China	756,809 (USD 26,555)	756,809 (USD 26,555)	25,000	100.00%	1,376,601	341,260	-	Sub-subsidiary Note 8
GlobalWafers	GWafers	Japan	Reinvestments in various businesses	Note4	5,448,015 (JPY 13,827,513)	-	- %	-	-	-	Sub-subsidiary Note 1 and 8
GlobalWafers	GWJ	Japan	Semiconductor silicon wafer manufacturing and trading	5,448,015	5,448,015	128	100.00%	13,558,073	2,107,707	-	Sub-subsidiary Note 4 and 8
GlobalWafers	GWafers Singapore	Singapore	Reinvestments in various businesses	11,966,930	11,966,930	364,000	67.20%	19,959,635	7,395,394	-	Sub-subsidiary Note 8
GlobalWafers	Topsil A/S	Denmark	Semiconductor silicon wafer manufacturing and trading	Note 3	Note 3	1,000	100.00%	1,687,613	(40,596)	-	Sub-subsidiary Note 8
GlobalWafers	Whole Global Investment Corporation	Taiwan	Reinvestments in various businesses	200,000	200,000	312	24.39%	178,442	59,258	14,439	Affiliated companies
GlobalWafers	Taisil	Taiwan	Semiconductor silicon wafer manufacturing and sales	14,504,663	14,502,885	9,999	99.99%	16,071,561	1,889,479	-	Sub-subsidiary Note 8
GWI	GTI	Texas	Manufacturing of epitaxy, silicon wafer as well as OEM and trading of epitaxy	-	2,241,668	-	- %	-	418,874	-	Sub-subsidiary Note 7 and 8
GWI	GWafers Singapore	Singapore	Reinvestments in various businesses	5,411,947	-	177,674	32.80%	5,677,436	7,395,394	-	Sub-subsidiary Note 7 and 8
GWafers	GWJ	Japan	Semiconductor silicon wafer manufacturing and trading	Note 4	5,484,300 (JPY 13,142,798)	-	- %	-	-	-	Sub-subsidiary Note 7 and 8

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2018			Net income (losses) of investee	Share of profits/losses of investee	Remarks
				December 31, 2018	December 31, 2017	Shares (thousands)	Percentage of Ownership	Carrying value			
GWJ	MEMC Japan	Japan	Semiconductor silicon wafer manufacturing and sales	373,413 (JPY 100,000)	373,413 (JPY 100,000)	-	100.00%	1,448,078	157,805	-	Sub-subsidiary Note 7 and 8
Topsil A/S	Topsil PL	Poland	Semiconductor silicon wafer manufacturing and trading	Note 3	Note 3	1	100.00%	(123,976)	(70,472)	-	Sub-subsidiary Note 7 and 8
GWafers Singapore	GWS	Singapore	Investment, marketing and trading business	17,846,803 (USD 540,649)	12,434,855 (USD 362,975)	177,674	100.00%	27,037,489	7,362,796	-	Sub-subsidiary Note 7 and 8
GWS	GWBV	The Netherlands	Reinvestments in various businesses	9,589,374 (USD 266,974)	4,177,427 (USD 89,300)	0.1	100.00%	29,179,287	3,589,426	-	Sub-subsidiary Note 7 and 8
GWS	SSTPL	Singapore	Reinvestments in various businesses	-	-	0.001	100.00%	-	-	-	Sub-subsidiary Note 7 and 8
GWBV	MEMC SpA	Italy	Semiconductor silicon wafer manufacturing and sales	6,732,641 (USD 201,788)	6,732,641 (USD 201,788)	65,000	100.00%	11,348,657	1,680,298	-	Sub-subsidiary Note 7 and 8
MEMC SpA	MEMC SarL	France	Trading business	1,316 (USD 40)	1,316 (USD 40)	0.5	100.00%	82	689	-	Sub-subsidiary Note 7 and 8
MEMC SpA	MEMC GmbH	Germany	Trading business	4,622 (USD 141)	4,622 (USD 141)	0.002	100.00%	5,677	556	-	Sub-subsidiary Note 7 and 8
MEMC SpA	MEMC BV	The Netherlands	Reinvestments in various businesses	2,430,141 (USD 73,918)	2,430,141 (USD 73,918)	0.2	100.00%	3,422,692	691,209	-	Sub-subsidiary Note 7 and 8
MEMC BV	MEMC Korea	Korea	Semiconductor silicon wafer manufacturing and sales	2,427,650 (USD 73,842)	2,427,650 (USD 73,842)	6,880	40.00%	3,415,898	1,726,189	-	Sub-subsidiary Note 7 and 8
GWBV	MEMC Korea	Korea	Semiconductor silicon wafer manufacturing and sales	3,641,474 (USD 110,763)	3,641,474 (USD 110,763)	10,320	60.00%	5,123,846	1,726,189	-	Sub-subsidiary Note 7 and 8
GWBV	MEMC LLC	U.S.A.	Semiconductor silicon wafer R&D, manufacturing and sales	-	5,289,887 (USD 173,839)	-	- %	-	193,960	-	Sub-subsidiary Note 7 and 8

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2018			Net income (losses) of investee	Share of profits/losses of investee	Remarks
				December 31, 2018	December 31, 2017	Shares (thousands)	Percentage of Ownership	Carrying value			
GWBV	GTI	U.S.A.	Epitaxial silicon wafer production and trade of epitaxy foundry business	8,776,143 (USD 288,120)	-	0.001	100.00%	8,731,092	803,066	-	Sub-subsidiary Note 7 and 8
GWBV	MEMC Sdn Bhd	Malaysia	Semiconductor silicon wafer R&D, manufacturing and sales	898,016 (USD 27,315)	898,016 (USD 27,315)	1,036	100.00%	919,602	99,469	-	Sub-subsidiary Note 7 and 8
GWBV	MEMC Ipoh	Malaysia	Semiconductor silicon wafer manufacturing and sales	146,624 (USD 3,020)	743,440 (USD 22,613)	669,374	100.00%	55,797	143,384	-	Sub-subsidiary Note 7 and 8
GTI	MEMC LLC	U.S.A.	Semiconductor silicon wafer R&D, manufacturing and sales	3,364,196 (USD 110,446)	-	1	100.00%	4,092,008	193,960	-	Sub-subsidiary Note 7 and 8

Note:1 Corporation limited

Note 2: The investment gain or loss recognition includes the investment cost and the amortization of the net equity acquired.

Note 3: GlobalWafers acquired Topsil A/S and Topsil PL with a total investment amount of NT$ 1,964,069 thousands (DKK 407,600 thousands).

Note 4: GWafers and GWJ merged in January 2018, and the existing company was GWafers, which was later renamed GWJ.

Note 5: Not including earnings transferred to capital increase.

Note 6: The Company does not hold the ownership interests of AMLED, but the Company can control the financial and operating strategies of AMLED and obtain all the benefits of its operations and net assets in accordance with the terms of the agreements with such standalone, so AMLED is considered as a subsidiary.

Note 7: All of them are subsidiaries indirectly held by GlobalWafers. GWafers Singapore was transferred to GlobalWafers and GWJ for 67.2% and 32.8% respectively on July 1, 2018. GTI was transferred to GWBV investment and MEMC LLC was transferred to GTI investment.

Note 8: The profit and loss of the investee company is included in its investment company. To avoid confusion, it will not be expressed here.

Note 9: The above transactions relating to the consolidated standalone have been written off when preparing the consolidated financial statements.

Sino-American Silicon Products Inc.

Information on investment in mainland China

For the year ended December 31, 2018

Attachment 10

Unit: NT$ Thousand

(I) The names of investees in Mainland China, the main businesses and products, and other information

Name of investee	Main businesses and products	Total amount of paid in capital	Method Of investment	Accumulated outflow of investment from Taiwan as of January 1, 2017	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2018	Net income (losses) of the investee	Shareholding ratio of direct or indirect investment of GlobalWafers	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Kunshan Sino	Silicon rods and silicon wafer processing and trade	769,177 (Note 7)	(Note 1)	713,300 (USD 21,729)	-	-	713,300 (USD21,729)	321,712	100.00%	321,712	1,313,144	-
SunEdison Shanghai	Trading business	7,527 (RMB 1,500)	(Note 2)	(Note 2)	-	-	(Note 2)	706	100.00%	706	9,849	-
Shanghai GROWFAST Semiconductor Technology Co. Ltd.	Sales and marketing business	9,756 (RMB 2,000)	(Note 3)	-	-	-	-	6,946	60.00%	4,168	20,840	-

(II) Limitation on investment in Mainland China

Company Name	Accumulated Investment in Mainland China as of December 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
GlobalWafers	713,300 (USD 21,729)	818,233 (USD 25,000)(Note 5)	25,893,667 (Note 6)

Note 1: Investments through GSI registered in mainland China.
Note 2: Investments through GWBV registered in mainland China which is acquired from the acquisition of GWS (SSL).
Note 3: Kunshan Sino was invested by Shanghai GROWFAST in mainland China, without limit on investment, due to not having any investment from Taiwan.
Note 4: The basis for investment income (loss) recognition is from the financial statements audited.
Note 5: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the Historical Foreign Exchange Rate.
Note 6: Calculated by 60% of the quota of the "Review Principles of Investment or Technical Cooperation in Mainland China" August 29, 2008, multiplied by the net worth of GlobalWafers on December 31, 2018.
Note 7: Retained earnings Transferred to Capital was included.

Sino-American Silicon Products Inc.
List of cash and cash equivalents
December 31, 2018

Expressed in thousands of New Taiwan Dollars
(Foreign currency in $ / JPY)

Items	Summary	Amount
Cash	Petty cash and cash on hand	$ 146
Bank deposits	Check deposits	5,145
	Time deposit (USD: 3,000,000)	92,145
	Demand deposits	137,606
	Foreign currency deposit (USD: 17,825,572.44 ; CHF: 5,840.62 ; JPY: 2,809,843 ; EUR: 1,924,235.53; RMB: 11,747.08 yuan)	616,262
	Subtotal	851,158
	Total	**$ 851,304**

Note: Foreign currency exchange rates at the balance sheet date are as follows:

USD exchange rate: 30.715

CHT exchange rate: 31.185

JPY exchange rate: 0.2782

EUR exchange rate: 35.20

RMB exchange rate: 4.472

Sino-American Silicon Products Inc.

Financial assets at fair value through profit or loss - current statement

For the year ended December 31, 2018

Expressed in thousands of New Taiwan Dollars

Names of financial instruments	Summary	Number of shares	Face value	Total	Acquisition cost	Fair value: Unit price	Fair value: Total	Changes in fair value attributable to changes in credit risk	Remarks
Taiwan Styrene Monomer	Stock of domestic booked (OTC) companies	3,869	$ 10	98,344	98,344	22.5	87,053	(11,291)	None

Sino-American Silicon Products Inc.

Statement of Notes and Accounts Receivable

December 31, 2018

Expressed in thousands of New Taiwan Dollars

Customer Name		Amount
Company F	$	204,815
Company D		74,418
Company G		57,775
Company A		40,788
Others (individual amount does not exceed 5%)		128,365
		506,161
Less: Allowance for bad debt		(34,663)
	$	**471,498**

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, 2018

Expressed in thousands of New Taiwan Dollars

Items	Amount: Costs	Amount: Net realizable value	Remark
Finished goods and products	$ 374,957	321,477	Please refer to Note 4 (7) to the standalone financial statements for the reference of net realizable value of inventory, in detail.
Work in progress	61,709	58,336	
Raw materials	372,968	236,702	
Supplies	92,094	82,703	
Subtotal	901,728	**699,218**	
Less: Allowance for reduction of inventory to market	(311,558)		
Total	**$ 590,170**		

Statement of pre-payment for materials

Supplier Name	Amount
Supplier B	$ 381,891
Supplier C	73,621
Supplier A	51,675
Other suppliers (Individual amount does not exceed 5%)	29,596
Total	**$ 536,783**

Sino-American Silicon Products Inc.

Statement of other current assets

December 31, 2018

Expressed in thousands of New Taiwan Dollars

Items	Amount	
Income tax refund receivable	$	48,928
Tax credits		20,405
Other prepaid expenses		5,887
Others (individual amount does not exceed 5%)		8,272
	$	**83,492**

Sino-American Silicon Products Inc.

Financial assets measured at fair value through other comprehensive gain or loss
— Non-current change statement

For the year ended December 31, 2018

Expressed in thousands of New Taiwan Dollars

	Beginning balance		Increase (decrease) for the period		Gain or loss on evaluation	End of the period				
Name	Shares	Fair value	Shares	Amount	Amount	Shares	Fair value	Accumulated impairment loss	Guarantee or collateral provided	Remarks
Solartech Energy Corp.	29,480	$ 439,258	(29,480)	(348,370)	(90,888)	-	-	-	None	
Actron Technology Corporation	2,129	245,936	1,081	101,385	(27,894)	3,210	319,427	-	None	
Giga Electronic Technology Corp.	1,100	4,458	(705) (Note)	-	-	395	4,458	-	None	
Powertech Energy Corp.	87,895	294,182	(57,485) (Note)	-	(163,418)	30,410	130,764	-	None	
Bigsun Technology Corporation	-	-	7,500	37,500	(37,500)	7,500	-	-	None	
Phoenix Silicon International Corporation	-	-	1,956	66,174	10,110	1,956	76,284	-	None	
URE	-	-	34,492	348,370	(78,297)	34,492	270,073	-	None	
Total		$ 983,834		205,059	(387,887)		801,006			

Note: Capital reduction to make up for losses

Sino-American Silicon Products Inc.

Financial assets measured at amortized cost - non-current changes statement

For the year ended December 31, 2018

Unit: thousand sheets / NT$ thousands

	Beginning balance		Increase (decrease) for the period		Decrease of the year		End of the period				
Name	Number of sheets	Carrying Amount	Number of sheets	Amount	Number of sheets	Amount	Number of sheets	Carrying Amount	Accumulated impairment loss	Guarantee or collateral provided	Remarks
Crystalwise Technology - Corporate bonds	280	$ 281,366	-	1,366	-	(1,366)	280	281,366	-	None	

Sino-American Silicon Products Inc.

Statement of changes in investments under equity method

For the year ended December 31, 2018

Unit: NT$ thousands /thousand shares

Investee company name	Beginning balance Shares	Beginning balance Amount	Increase (decrease) for the period Shares	Increase (decrease) for the period Amount	Current reclassification Shares	Current reclassification Amount	Net change in net equity value of subsidiaries and related enterprises recognized by equity method (Note 2)	Investment profits and losses	Exchange differences on translation of foreign financial statements	Remeasurement of defined benefit plan of subsidiaries	Other adjustment items (Note 3)	Ending balance Shares	Ending balance Amount	Shareholding ratio (%)	Market price or net equity value Unit price	Market price or net equity value Total price	Guarantee or collateral provided
Subsidiary:																	
SSTI	48,526	$ 1,058,142	-	-	-	-	-	33,705	31,768	-	(150,255)	48,526	973,360	100.00	-	973,360	None
GlobalWafers	222,293	17,308,960	434	(2,181,589) (Note 1)	-	-	(194,700)	6,932,303	376,738	(93,347)	(73,853)	222,727	22,074,512	51.17	280.50	62,474,924	None
Aleo Solar	-	355,393	-	-	-	-	-	(113,212)	(2,395)	-	-	-	239,786	100.00	-	239,786	None
Sunrise PV World Co.	30,000	300,944	-	(2,114) (Note 1)	-	-	-	(52,097)	-	-	-	30,000	246,733	100.00	-	246,733	None
SAS Sunrise Inc.	24,500	638,441	-	-	-	-	-	(118,642)	(21,516)	-	-	24,500	498,283	100.00	-	498,283	None
Sino-American Materials Co., Ltd.	9,000	4,958	(9,000)	(4,523)	-	-	-	(435)	-	-	-	-	-	90.00	-	-	None
	-	19,666,838		(2,188,226)		-	(194,700)	6,681,622	384,595	(93,347)	(224,108)		24,032,674			64,433,086	None
Affiliated enterprises:																	
Crystalwise Technology Inc.	84,848	849,211	(18,925)	-	-	-	124	(183,103)	(4,162)	-	(246,679)	65,923	415,391	40.11	12.00	791,079	None
Cathy Sunrise	45,000	453,708	-	(1,072) (Note 1)	-	-	-	11,616	-	-	-	45,000	464,252	30.00	-	464,252	None
Accu Solar Corporation	7,452	73,176	-	-	-	-	-	(7,528)	-	-	-	7,452	65,648	24.70	-	65,648	None
TSCS	-	-	90,000	990,000	-	-	-	(71,833)	(4)	-	-	90,000	918,163	30.93	-	918,163	None
		1,376,095		988,928		-	124	(250,848)	(4,166)	-	(246,679)		1,863,454		-	2,239,142	
Unrealized gain from inter-affiliate accounts		(54,255)		41,565	-	-	-	-	-	-	-	-	(12,690)				
Total		$ 20,988,678		(1,157,733)	-	-	(194,576)	6,430,774	380,429	(93,347)	(470,787)	-	25,883,438				

Note 1: The cash dividend of NT$ 2,226,116 thousand and the increase of investment of NT$ 91,006 thousand for the subsidiary.

Note 2: Including the changes due to the subsidiary’s buying back the treasury shares and the subsidiaries’ not subscribing in accordance with the shareholding ratio.

Note 3: Including unrealized gain or loss of the financial assets of affiliated enterprises, the employees' unearned renumeration and impairment loss.

Sino-American Silicon Products Inc.

Statement of changes of property, plant and equipment

For the year ended December 31, 2018

Expressed in thousands of New Taiwan Dollars

Please refer to Note 6 (12) for relevant information of property, plant and equipment.

Statement of other non-current assets

Items		Amount
Deferred Income tax assets – non-current	$	112,549
Others (individual amount does not exceed 5%)		4,664
	$	**117,213**

Statement of Accounts payable

Supplier Name		Amount
Supplier G	$	119,535
Supplier E		49,161
Supplier C		36,489
Supplier I		24,482
Others (individual amount does not exceed 5%)		201,758
Total	**$**	**431,425**

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

Sino-American Silicon Products Inc.
Statement of Short term borrowings
December 31, 2018

Expressed in thousands of New Taiwan Dollars

Lending bank	Explanation	Ending balance	Contract duration	Range of Interest Rate	The unutilized credit amount	Mortgage or guarantee
Bank of Taiwan	Working capital	$ 150,000	Note 1	Note 3	-	None.
Taipei Fubon Bank	Working capital and purchase loan	1,027,744	Note 1	Note 3	921,763	None.
First Bank	Working capital	200,000	Note 1	Note 3	-	None.
Export-Import Bank of the Republic of China	Working capital	300,000	Note 1	Note 3	-	None.
Land Bank	Working capital	200,000	Note 1	Note 3	-	None.
Shin Kong Bank	Working capital	200,000	Note 1	Note 3	-	None.
Mega Bank	Working capital and purchase loan	239,381	Note 1	Note 3	140,212	None.
Bank SinoPac	Working capital	400,000	Note 1	Note 3	100,000	None.
		$ 2,717,125				

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 the above booked, the Company still has undisbursed financing amount of NT$ 3,450,650 thousands.

Note 3: The interest rate colalr is 0.9%-0.98%.

Statement of other current liabilities

Items	Summary	Amount
Equipment payable		$ 59,314
Others (individual amount does not exceed 5%)	Labor service, water and electricity, and interest payable	289,946
Total		$ 349,260

Sino-American Silicon Products Inc.
Statement of Long term borrowings
December 31, 2018

Expressed in thousands of New Taiwan Dollars

Debtor	Summary	Loan amount	Contract duration	Range of Interest Rate	Mortgage or guarantee
Bank of Taiwan		$ 751,200	106.01-121.01	Note 2	Yes (Note 1)
JihSun Bank		199,000	107.11-109.11	Note 2	None.
O-bank		160,000	105.08-109.10	Note 2	None.
KGI Bank		500,000	107.06-109.06	Note 2	None.
		$ 1,610,200			

Note 1: The amount of long-term secured borrowing is NT$ 451,200 thousands. For the collateral, please refer to Note 8.

Note 2: The interest rate collar is 1.04%-1.28%.

Statement of contract liabilities

Customer Name	Amount
United Renewable Energy Co., Ltd.	$ 883,697
Company G	211,801
Company I	71,181
Others (individual amount does not exceed 5%)	85,064
	1,251,743
Less: contract liability - current	(148,713)
Total	**$ 1,103,030**

Sino-American Silicon Products Inc.

Operating revenues statement

For the year ended December 31, 2018

Expressed in thousands of New Taiwan Dollars

Items	Sales volume	Amount
Sales revenue:		
Solar energy - silicon wafer	41,943 thousand	$ 581,924
Solar energy - rod	2,218 thousand	1,608,721
Solar energy - battery	102,783 thousand	3,635,804
Solar energy - modules	83 thousand	350,710
Revenues from sale of goods and raw materials		2,041,686
		8,218,845
Processing revenue		15,162
Electricity Revenue and others		196,740
Net operating revenues		**$ 8,430,747**

Sino-American Silicon Products Inc.
Statement of Operating Cost
For the year ended December 31, 2018

Expressed in thousands of New Taiwan Dollars

Items	Amount
Beginning inventory - Finished goods	$ 40,634
Add: Purchase in this period	379,517
Transfer of expenses	189,186
Less: Inventories at the end of the period	22,495
Realized sale gain from inter-affiliate accounts	1,820
Cost of goods purchased and sold	585,022
Raw material consumption	
Beginning raw materials	1,233,797
Add: Material purchased in this period	6,279,566
Less: Ending raw materials	465,062
Reclassify as fixed assets	26,492
Realized sale gain from inter-affiliate accounts	33,606
Reclassified as expenses	1,055,714
Sale in this period	2,345,577
Consumption of raw materials in this period	3,586,912
Direct labor	445,773
Manufacturing expenses	2,619,818
Manufacturing cost	6,652,503
Add: Beginning WIP goods	290,034
Transfer in of finished goods	1,272,505
Less: Ending WIP goods	61,709
Costs of finished goods	8,153,333
Add: Beginning finished goods	915,753
Less: Finished goods at end of period	352,462
Other	46,427
Transfer out of finished goods	1,272,505
Cost of finished goods sold	7,397,692
Cost of goods sold	7,982,714
Add: Cost of raw materials sold	2,345,577
Unamortized fixed manufacturing expense	507,441
Appropriation for inventory loss in valuation	66,125
Appropriation for fixed asset impairment loss	1,497,261
Net loss of purchase contract	274,647
Less: Processing on order	444,736
Realized profit and offset from sales to affiliated companies	10,942
Total operating cost	**$ 12,218,087**

Sino-American Silicon Products Inc.
Statement of operating expense
For the year ended December 31, 2018

Expressed in thousands of New Taiwan Dollars

Items	Selling expenses	Administrative expenses	Research and development expensess
Salary expenses	$ 29,895	124,450	85,666
Import/export expenses	21,848	-	143
Depreciation	405	19,356	32,216
Indirect materials	-	-	38,457
Labor service fees	-	29,492	1,449
Others (summary of individual amount not exceeding 5%)	13,410	13,549	24,475
Total	**$ 65,558**	**186,847**	**182,406**

Statement of other gains and losses, net

Please refer to Note 6 (26) of the standalone financial statements for relevant information of other gains and losses, net.

Sino-American Silicon Products Inc.
Statement of finance cost

Please refer to Note 6 (27) of the standalone financial statements for relevant information of finance cost.

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

Please refer to Note 12 of the standalone financial statements for relevant information of employee benefits, depreciation, depletion, and amortization expenses.