Stock Code:5483

Sino-American Silicon Products Inc.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2020 and 2019

Address: No.8, Industrial East Road 2, Science-Based Industrial Park, Hsinchu, Taiwan, R.O.C.

Telephone: (03)577-2233

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Independent Auditors' Report

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

Opinion

We have audited the parent-company-only financial statements of Sino-American Silicon Products Inc.("the Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its parent-company-only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation 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 parent-company-only Financial Statements section of our report. We are independent of the Company 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of the parent-company-only 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 report are as follows:

1. Impairment assessment of property, plant and equipment (including right-of-use assets)

   Please refer to note 4(13) " Impairment of non-financial assets" for the accounting policy; note 5(2) of the parent-company-only financial statements for accounting assumptions and estimation uncertainty in the impairment assessment of property, plant and equity (included right-of-use assets), and note 6(9) "Property , plant and equipment" and note 6(10) "Right-of-use asset" for further details .

Description of key audit matters:

The industry in which the solar power business unit of the Company is subjected to fluctuations due to the market environment and the energy policies of various governments, accompanied by fierce market competition and continuous price reduction of products. Therefore, the assessment of impairment loss on property, plant and equipment is critical; the impairment assessment of assets includes the identification of cash-generating unit. The assessment is one of the key audit matters because it is complicated and contains subjective judgment from the management, such as determining the method of evaluation, selecting key assumptions and calculating recoverable amounts.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included assessing whether the cash-generating unit and its related tested assets identified by the management to impair show possible indicators of impairment, and further understanding and testing the evaluation models and key assumptions such as future cash flow projections, useful lives and weighted average cost of capital that the management used in the impairment test, including expected product revenue, costs and expenses, and assessing the accuracy of prior year's management forecasts; and performing sensitivity analysis based on key factors. Furthermore, performing inquiries with top management is in place in order to identify whether there are any events capable of affecting the impairment test result after year end. We also assess whether the Company has properly disclosed the policy of long-term non-financial asset impairment and other related information.

2. Evaluation of investments accounted for using the equity method

For the accounting policies of the assessment of the investment under equity method, please refer to note 4 (8) " Investment in associates" and note 4(9) " Investment in subsidiaries" in the parent-company-only financial statements; for the assessment of the investment under equity method, please refer to the parent-company-only financial statements of note 6(7) "Investments accounted for using equity method" and note 6(8) "Changes in the equity of ownership of the subsidiary".

Description of key audit matters:

The Company holds a 51.17% of the shares in the equity investment subsidiary, GlobalWafers Co., Ltd. Given that most of the subsidiaries of GlobalWafers Co., Ltd. are mainly arising from business combinations, and GlobalWafers operates in an industry subjected to fluctuations in the market environment and other factors, the recognition of the revenue of subsidiaries and the assessment of goodwill impairment are important. It is considered to be one of the key areas in our audit.

How the matter was addressed in our audit:

The principal audit procedures performed for the recognition of revenue related to investees under equity method include understanding the accounting policies adopted for the revenue recognition; assessing the design of the internal control system of sales revenue; and testing selected samples of 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 used for future cash flow projections and calculating recoverable amounts, and performing the sensitivity analysis of the key assumptions.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing the Company's 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 the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only 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 parent-company-only 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 parent-company-only 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 the Company's 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 the Company's 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 parent-company-only 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 the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only 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 parent-company-only financial statements. We are responsible for the direction, supervision and performance of Company 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 parent-company-only 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 18, 2021

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc.

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 781,889	2	1,256,788	4
1136	Financial assets measured at amortized cost－current (notes 6(4) and 7)	277,895	1	240,068	1
1170	Notes and accounts receivable, net (note 6(5))	264,031	1	199,042	-
1180	Accounts receivable due from related parties, net (note 7)	2,341,134	6	632,572	2
130X	Inventories (note 6(6))	456,448	1	335,641	1
1421	Prepayments to suppliers (notes 6(7) and 9)	46,206	-	42,242	-
1479	Other current assets	111,362	-	38,391	-
	Total current assets	4,278,965	11	2,744,744	8
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(3))	6,095	-	6,095	-
1535	Financial assets at amortized cost－non-current (notes 6(4) and 7)	-	-	267,612	1
1550	Investments accounted for using equity method (note 6(7))	30,588,097	81	27,794,246	81
1600	Property, plant and equipment (notes 6(9) and 8)	3,265,859	8	3,226,668	10
1755	Right-of-use assets (note 6(10))	180,240	-	154,567	-
1900	Other non-current assets (notes 6(15) and (16))	85,130	-	74,308	-
1980	Other financial assets－non-current(note 8)	42,564	-	20,134	-
	Total non-current assets	34,167,985	89	31,543,630	92
	Total assets	$ 38,446,950	100	34,288,374	100

	Liabilities and Equity	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current liabilities:				
2100	Short-term borrowings (notes 6(11) and 8)	$ 900,000	2	200,000	1
2120	Financial liabilities at fair value through profit or loss－current (note 6(2))	-	-	68	-
2130	Contract liabilities－current (notes 6(20), 7 and 9)	131,785	-	88,538	-
2170	Notes and accounts payable	518,817	1	500,893	1
2180	Accounts payable to related parties (note 7)	195,297	1	2,516	-
2201	Payroll and bonus payable	739,758	2	340,216	1
2216	Dividends payable	2,051,776	6	-	-
2250	Provisions－current (note 6(14))	221,949	1	221,949	1
2399	Other current liabilities (notes 6(13) and 7)	335,149	1	363,601	1
	Total current liabilities	5,094,531	14	1,717,781	5
	Non-Current liabilities:				
2527	Contract liabilities－non-current (notes 6(20),7 and 9)	1,044,068	3	1,115,657	3
2550	Provisions－non-current (notes 6(14) and 9)	3,992,895	10	4,622,950	14
2600	Other non-current liabilities (notes 6(13), (15) and (16))	154,630	-	161,745	-
	Total non-current liabilities	5,191,593	13	5,900,352	17
	Total liabilities	10,286,124	27	7,618,133	22
	Equity (notes 6(17) and (18)):				
3110	Ordinary shares	5,862,217	15	5,862,367	17
3170	Share capital awaiting retirement	-	-	(150)	-
		5,862,217	15	5,862,217	17
3200	Capital surplus	19,481,234	51	21,072,595	61
	Retained earnings:				
3310	Legal reserve	721,476	2	462,354	1
3320	Special reserve	1,330,419	3	513,302	2
3350	Unappropriated retained earnings	4,161,346	11	2,591,235	8
		6,213,241	16	3,566,891	11
3400	Other equity interest	(3,395,866)	(9)	(3,831,462)	(11)
	Total equity	28,160,826	73	26,670,241	78
	Total liabilities and equity	$ 38,446,950	100	34,288,374	100

See accompanying notes to parent company only financial statements.

(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc.

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2020		2019	
		Amount	%	Amount	%
4000	**Operating revenue** (notes 6(20) and 7)	$ 5,430,346	100	6,002,885	100
5000	**Operating costs** (notes 6(6), (13), (15), (21) and 7)	5,248,059	97	9,895,050	165
	Gross profit (loss) from operations	182,287	3	(3,892,165)	(65)
	Operating expenses (notes 6(13), (15), (21) and 7)**:**				
6100	Selling expenses	72,192	1	50,701	1
6200	Administrative expenses	500,307	9	314,914	5
6300	Research and development expenses	101,957	2	111,769	2
6450	Expected credit losses (reversal gains) (notes 6(5) and 7)	881	-	(6,671)	-
	Total operating expenses	675,337	12	470,713	8
	Net operating loss	(493,050)	(9)	(4,362,878)	(73)
	Non-operating income and expenses:				
7100	Interest income (notes 6(22) and 7)	18,982	-	38,385	-
7020	Other gains and losses (notes 6(23) and 7)	139,280	3	103,546	2
7050	Finance costs (notes 6(24) and 7)	(7,577)	-	(25,064)	-
7060	Share of profit of associates accounted for using equity method (note 6(7))	6,647,023	122	6,572,359	109
		6,797,708	125	6,689,226	111
	Income before income tax	6,304,658	116	2,326,348	38
7950	Less: Income tax expense (note 6(16))	(21,577)	-	77,962	1
	Net income	6,326,235	116	2,248,386	37
8300	**Other comprehensive income:**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(15))	(5,666)	-	(169)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(17))	398,280	8	(7,997)	-
8330	Share of gains (losses) on remeasurements of defined benefit plans of subsidiaries accounted for using equity method	(107,470)	(2)	29,988	-
		285,144	6	21,822	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations (note 6(17))	(122,701)	(2)	(635,972)	(10)
8380	Share of other comprehensive income of associates accounted for using equity method related to components of other comprehensive income that will be reclassified to profit or less (note 6(25))	120,189	2	134,905	2
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(16))	(18,327)	-	(4,866)	-
		15,815	-	(496,201)	(8)
8300	**Other comprehensive income (after tax)**	300,959	6	(474,379)	(8)
	Total comprehensive income	**$ 6,627,194**	**122**	**1,774,007**	**29**
	Earnings per share (NT dollars) (note 6(19))				
9750	Basic earnings per share	**$**	**10.82**		**3.86**
9850	Diluted earnings per share	**$**	**10.71**		**3.83**

See accompanying notes to parent company only financial statements.

(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc.

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

				Retained earnings				Other equity interest					
	Ordinary shares	Share capital awaiting retirement	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Gains (losses) on equity instrument measured at fair value through other comprehensive income	Unearned compensation cost	Others	Total other equity interest	Total equity
Balance at January 1, 2019	$ 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
Net income for the year	-	-	-	-	-	2,248,386	2,248,386	-	-	-	-	-	2,248,386
Other comprehensive income for the year	-	-	-	-	-	29,819	29,819	(638,103)	133,905	-	-	(504,198)	(474,379)
Comprehensive income for the year	-	-	-	-	-	2,278,205	2,278,205	(638,103)	133,905	-	-	(504,198)	1,774,007
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	-	150,775	-	(150,775)	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(1,356,963)	(1,356,963)	-	-	-	-	-	(1,356,963)
Cash dividends distribution from capital surplus	-	-	(401,900)	-	-	-	-	-	-	-	-	-	(401,900)
Changes in equity of associates accounted for using equity method	-	-	(279,229)	-	-	-	-	-	-	-	112	112	(279,117)
Due to donated assets received	-	-	228	-	-	-	-	-	-	-	-	-	228
Changes in equity of subsidiaries accounted for using equity method	-	-	(21)	-	-	-	-	-	-	-	-	-	(21)
Compensation cost of issued restricted stock awards	-	-	(3,115)	-	-	-	-	-	-	56,726	-	56,726	53,611
Share retirement and awaiting retirement due to expiration of restricted stock awards	(840)	180	(660)	-	-	-	-	-	-	-	-	-	(1,320)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	313,015	313,015	-	(313,015)	-	-	(313,015)	-
Balance at December 31, 2019	5,862,367	(150)	21,072,595	462,354	513,302	2,591,235	3,566,891	(2,224,344)	(1,585,242)	(18,608)	(3,268)	(3,831,462)	26,670,241
Net income for the year	-	-	-	-	-	6,326,235	6,326,235	-	-	-	-	-	6,326,235
Other comprehensive income for the year	-	-	-	-	-	(113,136)	(113,136)	(100,694)	514,789	-	-	414,095	300,959
Comprehensive income for the year	-	-	-	-	-	6,213,099	6,213,099	(100,694)	514,789	-	-	414,095	6,627,194
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	-	259,122	-	(259,122)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	817,117	(817,117)	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(3,566,749)	(3,566,749)	-	-	-	-	-	(3,566,749)
Cash dividends from capital surplus	-	-	(1,416,136)	-	-	-	-	-	-	-	-	-	(1,416,136)
Changes in equity of associates accounted for using equity method	-	-	(176,098)	-	-	-	-	-	-	-	2,893	2,893	(173,205)
Due to donated assets received	-	-	873	-	-	-	-	-	-	-	-	-	873
Compensation cost of issued restricted stock awards	-	-	-	-	-	-	-	-	-	18,608	-	18,608	18,608
Share retirement and awaiting retirement due to expiration of restricted stock awards	(150)	150	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2020	**$ 5,862,217**	**-**	**19,481,234**	**721,476**	**1,330,419**	**4,161,346**	**6,213,241**	**(2,325,038)**	**(1,070,453)**	**-**	**(375)**	**(3,395,866)**	**28,160,826**

See accompanying notes to parent company only financial statements.

(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc.

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		2020	2019
Cash flows from operating activities:			
Income before income tax	$	6,304,658	2,326,348
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expenses		486,204	491,332
Expected credit losses (reversal gains)		881	(6,671)
Net loss on financial assets or liabilities at fair value through profit or loss		-	68
Interest expense		7,577	25,064
Interest incomes		(18,982)	(38,385)
Dividend income		(2,210)	(5,340)
Share-based compensation cost		18,608	53,611
Shares of profit of subsidiaries and associates accounted for using equity method		(6,647,023)	(6,572,359)
Gains on disposal of property, plant and equipment		(10,242)	(30,812)
Gains on disposal of investments		(34,165)	-
Recognition (reversal) of impairment losses on financial assets		(22,519)	25,973
Reversal of write-down of inventory		(31,954)	(239,254)
Recognition (reversal) of impairment losses on non-financial assets		444,064	(8,779)
Recognition (reversal) of losses on liability provision		(630,055)	3,884,607
Total adjustments		(6,439,816)	(2,420,945)
Changes in operating assets and liabilities:			
Notes and accounts receivable (including related parties)		(1,822)	322,629
Inventories		(84,742)	493,783
Prepayments		(16,832)	503,320
Net defined benefit assets		(42)	(40)
Other operating assets		29,512	50,933
Decrease in financial liabilities held for trading		(68)	-
Notes and accounts payable (including related parties)		(6,906)	65,520
Contract liabilities		(128,350)	(47,548)
Other operating liabilities		346,282	(130,928)
Total changes in operating assets and liabilities		137,032	1,257,669
Total adjustments		(6,302,784)	(1,163,276)
Cash inflow generated from operations		1,874	1,163,072
Interest received		21,155	35,049
Dividends received		2,210	5,340
Interest paid		(6,937)	(26,482)
Income taxes paid		(5,222)	(2,757)
Net cash flows generated from operating activities		13,080	1,174,222

(Continued)

See accompanying notes to parent company only financial statements.

(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc.

Statements of Cash Flows (Continued)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(197,610)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	474,207
Acquisition of financial assets at amortized cost	-	(250,000)
Proceeds from disposal of financial assets at amortized cost	250,000	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	98,344
Decrease in intercompany loan	15,872	477,076
Acquisition of investments accounted for using equity method	(4,208,110)	(1,019,487)
Proceeds from disposal of investments accounted for using equity method	516,948	-
Cash dividends from investment accounted for using equity method	5,649,312	5,606,733
Acquisition of property, plant and equipment	(967,687)	(113,682)
Proceeds from disposal of property, plant and equipment	17,239	57,258
Decrease (Increase) in other financial assets	(2,600)	13,348
Cash inflows from business combination	306,232	-
Net cash flows generated from in investing activities	1,577,206	5,146,187
Cash flows from financing activities:		
Increase (decrease) in short-term loans	700,000	(2,517,125)
Increase in notes from related parties	192,950	-
Repayments of long-term borrowings	-	(1,610,200)
Increase in guarantee deposits	6	762
Repayment of the principal portion of lease liabilities	(27,905)	(28,407)
Cash dividends from earnings and capital surplus distribution	(2,931,109)	(1,758,863)
Share capital retirement due to expiration of restricted stock awards	-	(1,320)
Donated assets received	873	228
Net cash flows used in financing activities	(2,065,185)	(5,914,925)
Net increase (decrease) in cash and cash equivalents	(474,899)	405,484
Cash and cash equivalents at beginning of period	1,256,788	851,304
Cash and cash equivalents at end of period	$ **781,889**	**1,256,788**

See accompanying notes to parent company only financial statements.

(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc.

Notes to the Parent Company Only Financial Statements

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

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 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.

GlobalWafers’s common shares have been listed on Taipei Exchange (“TPEx”) since September 25, 2015, and were delisted from the Emerging Market at the same date.

2. Approval date and procedures of the financial statements:

These parent-company-only financial statements were authorized for issuance by the board of directors on March 18, 2021.

(3) New standards, amendments and interpretations adopted:

(a) 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 Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only financial statements, from January 1, 2020:

- Amendments to IFRS 3 “Definition of a Business”
- Amendments to IFRS 9, IAS39 and IFRS7 “Interest Rate Benchmark Reform”
- Amendments to IAS 1 and IAS 8 “Definition of Material”
- Amendments to IFRS 16 “COVID-19-Related Rent Concessions”

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2021, would not have a significant impact on its parent-company-only financial statements:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform －Phase 2”

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	**Content of amendment**	**Effective date per IASB**
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 37 “Onerous Contracts－Cost of Fulfilling a Contract”	The amendments clarify that the ‘ costs of fulfilling a contract’ comprises the costs that relate directly to the contract as follows: ● the incremental costs – e.g. direct labor and materials; and ● an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.	January 1, 2022

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

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its parent-company-only financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

4. Summary of significant accounting policies:

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

(1) Statement of compliance

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

(2) Basis of preparation

A. Basis of measurement

Expect for the following significant accounts, the parent-company-only financial statements have been prepared on a historical cost basis:

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

(b) Financial assets at fair value through other comprehensive income (loss) are measured at fair value;

(c) The defined benefit liability recognized is the net of pension assets less the present value of defined benefit obligation and the limit of recognized assets as discussed in note 4 (16).

B. Functional and presentation currency

The Company's functional currency is in the currency of the main economic environment in which it operates. This parent-company-only 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

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an equity investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

B. Foreign operations

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

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation 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:

A. It is expected to be realized, or intends to be sold or consumed, in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is expected to be realized within twelve months after the reporting period; or

D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least 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:

A. It is expected to be settled in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is due to be settled within twelve months after the reporting period; or

D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(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

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income – equity investment, or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) 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.

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.

(b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVTOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company right to receive payment is established.

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

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

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(d) 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).

(e) Impairment of financial assets

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

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured by 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.

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 historical experience and informed credit assessment as well as forward looking information.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

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 months 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.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company procedures for recovery of amounts due.

(f) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(a) 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.

(b) Equity instrument

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.

(c) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

(d) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(e) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(f) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

C. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(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 parent-company-only financial statements include the Company's share of the profit or loss and other comprehensive income of, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, 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 significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

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. If the capital surplus 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 parent-company-only 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 parent-company-only financial statements and the parent-company-only financial statements is the same. Moreover, the equity attributable to the shareholders of the parent company from the shareholder's equity of the parent-company-only financial statements and the parent-company-only 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

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

C. 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 lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(a) Buildings: 2 to 50 years

(b) Machinery and equipment: 2 to 8 years

(c) Other equipment and leased assets: 2 to 25 years

Buildings constitute mainly buildings, mechanical and electrical power equipment, and related engineering, wastewater treatment and sewage system, etc. Each such part is depreciated based on its useful life of 25 to 50 years, 25 years, and 4 to 25 years, respectively.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(11) Lessee

A. Identifying a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(a) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

(b) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

(c) the customer has the right to direct the use of the asset throughout the period of use only if either:

- the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or
- the relevant decisions about how and for what purpose the asset is used are predetermined and:
  - the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
  - the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

B. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(a) fixed payments, including in-substance fixed payments;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) amounts expected to be payable under a residual value guarantee; and

(d) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(a) there is a change in future lease payments arising from the change in an index or rate; or

(b) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

(c) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(d) there is a change of its assessment on whether it will exercise an extension or termination option; or

(e) there are any lease modifications

When the lease liability is remeasured, other than lease, modifications a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases with 12 months or less and leases of low-value assets, including parking space and other equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

C. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract, which accounted as a single lease component.

(12) Intangible assets

A. Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

B. Other intangible assets

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

C. 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.

D. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or a cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. And then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of or depreciation amortization, if no impairment loss had been recognized.

(14) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest expense.

Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(15) Revenue recognition

A. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company’ s main types of revenue are explained below:

(a) Sale of goods

The Company engages mainly in the research, development, production, design, and sales of semiconductor ingots and wafers, varistors, optoelectronics and communication wafer materials. The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer’ s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered, as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(b) Product processing services

The Company provides processing of products and recognizes the relevant revenue during the financial reporting period of the labor service. Revenue recognition for fixed price contracts is based on the ratio of services actually provided to total services as of the reporting date, which is determined by the percentage of labor performed to the total amount of labor to be performed. If the situation changes, the estimates of revenue, cost, and degree of completion will be revised, and the increase or decrease in the period when the management is aware of the change in the situation will be reflected in profit or loss.

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 in which the service is provided, the revenue is recognized by the amount in which the Company has the right to open an invoice. The Company will ask customers for a monthly payment and will 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 collect the consideration unconditionally at that time.

(c) Power electric revenue

The Company recognized the power electric revenue based on the actual electric units and electric rate.

(d) Engineering contract

The Company is engaged in the contracting business of solar power plants. Since the assets are controlled by the customers at the time of construction, the revenue is gradually recognized over time based on the proportion of the engineering costs incurred to date to the estimated total contract costs. A fixed amount paid by the customer in accordance with the agreed time schedule. Certain changes in consideration are estimated using expectations from past experience; other changes are estimated at the most probable amount. The Company recognizes revenue only within the scope of the cumulative revenue level where it is highly probable that no significant reversal will occur. If the amount of revenue recognized has not been requested, it is recognized as a contract asset and the contract asset is transferred to the accounts receivable when there is an unconditional right to the consideration.

If the degree of completion of the performance obligation of the construction contract cannot be reasonably measured, the contract revenue is recognized only within the range of expected recoverable costs.

When the Company expects that the inevitable cost of performance of an engineering contract exceeds the economic benefit expected from the contract, the liability provision for the onerous contract is recognized.

If the circumstances change, the estimates of revenue, cost and 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.

B. Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(16) Employee Benefits

A. Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

B. Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid 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.

(17) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of 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.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(18) Income tax

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

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

A. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

B. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

C. taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

   (a) the same taxable entity; or

   (b) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are 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 profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(19) Earnings per share

The Company discloses basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee remuneration that could be settled in the form of stock. 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.

(20) Operating segment

The Company has the segment information disclosed in the consolidated financial statements; therefore, it will not be disclosed in the parent-company-only financial statements.

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

The preparation of the parent-company-only financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimations and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in the accounting estimates during the period and the impact of those changes in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent-company-only financial statements is as follows:

(1) Judgment of whether the Company has substantial control over investees

The Company holds 41.93% of the voting shares of Crystalwise Technology Inc., (Crystalwise) and the remaining specific shareholders still hold significant voting shares, and it is impossible to exclude the possibility of a joint exercise of rights. The Company and other shareholders' size and distribution of voting rights show that the Company has no power and does not have over half of the Broad and potential voting rights or other contractual arrangements. The Company evaluated that the activities of Crystalwise are not determined based on the votes of the majority voting rights holders. Rather, it is based on the majority of the members of the management. Therefore, the investors who have voting rights can not control the relevant activities of Crystalwise. The Company had received a variable return from the investee due to holding the ordinary share of Crystalwise. The source of return is dividends. The Company evaluated hat it does not have the ability to influence Crystalwise's return due to the lack of the power to control it. The Company concluded that it has no substantive power to decide the relevant activities from the beginning. Therefore, the Company determined that it has significant influence but not control over Crystalwise.

(2) Impairment assessment of property, plant and equipment (including right-to-use assets)

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Company is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years. Refer to note 6(9) for further description of the key assumptions used to determine the recoverable amount.

The Company's finance and accounting departments conduct independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This finance and accounting departments also periodically adjust valuation models, conduct back testing, renew input data for valuation models, and make all other necessary fair value adjustments to assure the rationality of fair value.

The Company strives to use the observable market inputs when measuring assets and liabilities. The hierarchy of the fair value categorized by the valuation techniques used is as follows:

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

Level 2: 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).

Level 3: 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(26) of the financial instruments.

6. Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand	$ 180	146
Demand deposits	525,389	1,256,642
Repurchase agreement	256,320	-
Cash and cash equivalents in the statement of cash flows	**$ 781,889**	**1,256,788**

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

(2) Financial assets and liabilities at fair value through profit or loss

	December 31, 2020	December 31, 2019
Held-for-trading financial liabilities:		
Swap exchange contract	$ -	68

The Company uses derivative instruments to hedge certain currency risk arising from the Company's operating activities. The Company held the following derivative instruments not used for hedging and accounted them as financial liabilities designated as at fair value through profit or loss as follows:

	December 31, 2019			
	Contract amount (in thousands)		Currency	Maturity date
Swap exchange contract:				
Currency exchange	USD	3,000	USD to EUR	March 17, 2020

Please refer to note 6(23) of gain or loss of financial assets at fair value through profit or loss.

For the disclosure of market risk, please refer to note 6(27).

The financial assets mentioned above were not pledged as collateral.

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

	December 31, 2020	December 31, 2019
Equity instruments measured at fair value through other comprehensive income:		
Equity investment in domestic entities	$ 6,095	6,095

The Company 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 income.

In considering the Company' s operating performance, the Company sold the shares of United Renewable Energy Co., Ltd (URE) and Phoenix Silicon International Corporation, which were measured at fair value through other comprehensive income. The fair value of the disposition of shares of URE shares and Phoenix Silicon International Corporation was $313,622 thousand and $160,545 thousand, respectively, with cumulative disposal loss $34,708 thousand and with cumulative disposal gain $94,372 respectively. The aforementioned cumulative disposed gain and loss have been transferred from other equity to retained earnings.

No strategic investments were disposed for the year ended December 31, 2020, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

For the years ended of December 31, 2020 and 2019, the Company recognized dividend income of nil thousand and $3,130 thousand, respectively.

Powtec ElectroChemical Corp. (hereinafter referred to as Powtec ElectroChemical) filed for bankruptcy on February 26, 2020. The Company assessed the Powtec ElectroChemical's financial difficulties and recognized the unrealized loss on financial assets at fair value through other comprehensive income in 2019.

For the disclosure of market risk, please refer to note 6 (27).

The above financial assets are not pledged as collateral.

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

	December 31, 2020	December 31, 2019
Current:		
Corporate bond - Crystalwise	**$ 277,895**	**240,068**
Non-current:		
Corporate bond - Crystalwise	**$ -**	**267,612**

The Company has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on the principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

In January 2019, the Company purchased the private equity corporate bonds of Crystalwise for a one- year period at a nominal amount of $250,000 thousand. The coupon rate and effective interest rate were 2.00%, and the bond is due on January, 2020.

As of December 31, 2020 and 2019, the Company has estimated the impairment losses (reversal gains) amounted to $(22,519) thousand and $25,973 thousand, respectively.

For the disclosure of credit risk, please refer to note 6(27).

The above financial assets are not pledged as collateral.

(5) Net accounts receivable

	December 31, 2020	December 31, 2019
Accounts receivable	$ 264,037	232,830
Less: Allowance for doubtful accounts	(6)	(33,788)
	$ 264,031	**199,042**

The Company applied the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

The loss allowance provision of accounts receivable (including related parties) was determined as follows:

	December 31, 2020		
	Gross amount of accounts receivable	**Weighted-average loss rate**	**Credit loss allowance**
Current	$ 420,512	0%	-
1 to 30 days past due	46,299	0%~0.2%	-
More than 91 days past due	6	100%	6
	$ 466,817		**6**

	December 31, 2019		
	Gross amount of accounts receivable	**Weighted-average loss rate**	**Credit loss allowance**
Current	$ 401,323	0%	-
1 to 30 days past due	28,324	0%~0.2%	-
More than 91 days past due	33,788	100%	33,788
	$ 463,435		**33,788**

The movement of the credit loss allowance for notes and accounts receivable (including related parties) was as follows:

	2020	**2019**
Balance on January 1	$ 33,788	48,770
Expected credit loss recognized (reversed)	881	(6,671)
Amounts written off	(34,663)	(8,311)
Balance on December 31	**$ 6**	**33,788**

The Company's accounts receivables were not pledged as collateral.

(6) Inventories

	December 31, 2020	**December 31, 2019**
Finished goods and merchandises	$ 103,917	208,769
Work in progress	35,034	37,794
Raw materials	317,497	89,078
	$ 456,448	**335,641**

Components of operating costs were as follows:

		2020	2019
Cost of sales	$	5,223,618	6,079,226
Impairment loss of property, plant and equipment (note 6 (9))		431,196	-
Reversal of inventory valuation		(31,954)	(239,254)
Unallocated fixed manufacturing expense		255,254	170,471
Recognition (reversal) of provision loss (note6(14))		(630,055)	3,884,607
	$	**5,248,059**	**9,895,050**

The Company's inventories mentioned above were not pledged as collateral.

(7) Investments accounted for using equity method

The Company's summary of the financial information for investments accounted for using equity method at the reporting date was as follows:

		December 31, 2020	December 31, 2019
Subsidiary	$	24,669,706	25,155,996
Associates		5,956,635	2,676,608
Unrealized gain of associates		(38,244)	(38,358)
	$	**30,588,097**	**27,794,246**

(a) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2020.

(b) Affiliated associates

The Company acquired 22.53% of the private placement of shares in Advance Wireless Semiconductor Company (Advanced Wireless) with cash consideration of $3,496,500 thousand. The Company had significant influence over Advanced Wireless.

Names of affiliated companies	Relationship with the Company	Main location/ country registered in	Percentage of equity ownership interests and voting rights December 31, 2020	Percentage of equity ownership interests and voting rights December 31, 2019
Actron Technology Corporation (Actron)	Mainly engages in the manufacturing of electronic component	Taiwan	21.31%	15.50%

Names of affiliated companies	Relationship with the Company	Main location/ country registered in	Percentage of equity ownership interests and voting rights	
			December 31, 2020	**December 31, 2019**
Taiwan Special Chemicals Corporation (Taiwan Special Chemicals)	The main business is manufacturing of semiconductor special gas and chemical materials.	Taiwan	30.93%	30.93%
Cathay Sunrise Corporation (Cathay Sunrise)	The main business is manufacturing of power generation, transmission and distribution machinery.	Taiwan	-	30.00%
Crystalwise	Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material.	Taiwan	41.93%	41.93%
Accu Solar Corporation (Accu Solar)	The main business is providing solar modules.	Taiwan	24.70%	24.70%
Advanced Wireless	Mainly engages in the Manufacturing and trading of GaAs wafers.	Taiwan	22.53%	-

The Company's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	December 31, 2020	**December 31, 2019**
Carrying amount of individually insignificant associates' equity	**$ 5,956,635**	**2,676,608**
Attributable to the Company:		
Profit (loss) from continuing operations	$ 8,930	(57,741)
Other comprehensive income	151,615	15,673
Comprehensive income (loss)	**$ 160,545**	**(42,068)**

(c) There was short form merger between the Company and its subsidiary, Sunrise PV World Co. (Sunrise PV World) on February 1, 2020. For related information, please refer to the consolidated financial report for the year ended December 31, 2019.

Sunrise PV World is a 100% owned subsidiary of the Company. After short form merger, the Company is the surviving company. On the date of the merger, book value of Sunrise PV World is $278,004 thousand. The details of the identifiable assets acquired and liabilities assumed on the date were as follows:

Cash and cash equivalents	$	306,232
Current assets		118,456
Non-current assets		209,163
Current and non-current liabilities		(355,847)
	$	**278,004**

(d) The difference between 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, tangible assets and goodwill.

(e) The Company’s Broad of Directors resolved to dispose of the entire 30% ordinary shares of Cathay Sunrise to San Ching Engineering at $11.5 per share on May 7, 2020, and the Company lost significant influence since then. The disposal price was $517,500 thousand, and the gain was $34,165 thousand.

(f) In considering the Company’ s operating performance, the Company increased its investment in Crystalwise by $204,960 thousand in May 2019. The difference between the investment cost and the net equity value of $12,101 thousand was recognized as capital surplus, and the shares held increased from 40.13% to 41.93%.

(g) The Company has obtained significant influence since it was elected as corporate director of Actron in May 2019. Therefore, the original account under fair value through other comprehensive income financial assets was removed and reclassified as investment accounted for using the equity method at fair value. The amount of profit related to the investment that was previously recognized in other comprehensive income that will not be reclassified to profit or loss was reclassified to retained earnings of $237,118 thousand. In addition, between October and December 2019, the Company increased investment in Actron through capital increase in cash and a purchase of outstanding shares. The difference between the investment cost and the net equity value was recognized as $364,538 thousand in capital dedcution. The shares held increased from 6.62% to 15.50%. The Company further purchased outstanding shares of Actron in the publicly traded market in 2020 amounting to $461,610 thousand. As of December 31, 2020, the accumulated shareholding was 21.31%.

(h) For the years ended December 31, 2020 and 2019, the cash dividends from the investees were $7,430,997 thousand and $5,606,733 thousand, respectively, which were recognized as deductions of investments accounted for using the equity method.

(i) Guarantee

The Company did not pledge any investments accounted for using the equity method as collateral.

(8) Changes in ownership equity of subsidiaries

Aleo Sunrise GmbH (Aleo Sunrise) has been transferred to the Company for 100% ownership since March 2019 and its liquidation was completed in June 2019.

(9) Property, plant and equipment

A. The movements of cost, depreciation and impairment of the property, plant and equipment of the Company were as follows:

		Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:							
Balance at January 1, 2020	$	405,890	1,844,911	4,236,361	1,557,556	16,343	8,061,061
From merger of subsidiary		-	-	-	2,167	-	2,167
Additions		-	875,263	18,272	18,460	53,466	965,461
Disposals		-	(5,679)	(826,335)	(146,292)	-	(978,306)
Reclassification		-	-	16,283	764	(17,047)	-
Transfer and others		-	-	-	(23,418)	(15,406)	(38,824)
Balance at December 31, 2020	$	405,890	2,714,495	3,444,581	1,409,237	37,356	8,011,559
Balance at January 1, 2019	$	405,890	1,868,575	7,581,241	1,570,361	139,858	11,565,925
Additions		-	6,896	48,576	18,446	40,311	114,229
Disposals		-	(34,605)	(3,537,316)	(46,029)	(1,705)	(3,619,655)
Reclassification		-	4,045	143,860	14,778	(162,121)	562
Balance at December 31, 2019	$	405,890	1,844,911	4,236,361	1,557,556	16,343	8,061,061
Depreciation and impairment loss:							
Balance at January 1, 2020	$	-	1,089,646	2,984,863	759,884	-	4,834,393
From merger of subsidiary		-	-	-	928	-	928
Depreciation for the year		-	93,775	269,885	93,614	-	457,274
Impairment loss		-	-	423,739	7,457	-	431,196
Disposals		-	(5,679)	(826,334)	(146,078)	-	(978,091)
Balance at December 31, 2020	$	-	1,177,742	2,852,153	715,805	-	4,745,700
Balance at January 1, 2019	$	-	1,061,938	6,242,010	670,723	1,705	7,976,376
Depreciation for the year		-	62,313	267,394	132,367	-	462,074
Disposals		-	(34,605)	(3,522,917)	(44,485)	(1,705)	(3,603,712)
Reclassification		-	-	(1,624)	1,279	-	(345)
Balance at December 31, 2019	$	-	1,089,646	2,984,863	759,884	-	4,834,393
Carrying amounts:							
Balance at December 31, 2020	$	405,890	1,536,753	592,428	693,432	37,356	3,265,859
Balance at January 1, 2019	$	405,890	806,637	1,339,231	899,638	138,153	3,589,549
Balance at December 31, 2019	$	405,890	755,265	1,251,498	797,672	16,343	3,226,668

B. Impairment loss

The Company assessed that the production line of the solar energy division was affected by the global economy resulting to the decline in production output. Therefore, the recoverable amount of the production line must be evaluated.

The Company's solar energy production line is a cash-generating unit (CGU) and its recoverable amount is estimated on the basis of its value of use. The recoverable amount is higher than the carrying amount of the property, plant and equipment as assessed on December 31, 2020 and 2019, therefore, no impairment loss was recognized.

The estimated value of pre-tax discount rate in 2020 and 2019 were 8.57% and 7.39%, respectively.

As of December 31, 2020, the Company recognized an impairment loss of some machinery amounting to $431,196 thousand due to the changes in production technology, which was recognized as operating costs in the statement of comprehensive income.

C. Collateral

The property, plant and equipment mentioned above were not pledged as collateral.

(10) Right-of-use assets

The Company leases many assets including land, buildings and other equipment. The carrying amounts on right-of-use assets were presented below:

	Land	Buildings	Other equipment	Total
Cost:				
Balance at January 1, 2020	$ 35,616	143,687	4,173	183,476
Additions	84,257	-	1,015	85,272
Disposals	(35,616)	(1,534)	(445)	(37,595)
Balance at December 31, 2020	**$ 84,257**	**142,153**	**4,743**	**231,153**
Balance at January 1, 2019	$ -	-	-	-
Retroactive adjustment for IFRS 16	35,616	143,687	834	180,137
Additions	-	-	3,728	3,728
Disposals	-	-	(389)	(389)
Balance at December 31, 2019	**$ 35,616**	**143,687**	**4,173**	**183,476**

	Land	Buildings	Other equipment	Total
Accumulated depreciation:				
Balance at January 1, 2020	$ 3,957	23,404	1,548	28,909
Depreciation	5,579	21,870	1,481	28,930
Disposals	(4,947)	(1,534)	(445)	(6,926)
Balance at December 31, 2020	**$ 4,589**	**43,740**	**2,584**	**50,913**
Balance at January 1, 2019	$ -	-	-	-
Retroactive adjustment for IFRS 16	-	-	-	-
Depreciation	3,957	23,404	1,897	29,258
Disposals	-	-	(349)	(349)
Balance at December 31, 2019	**$ 3,957**	**23,404**	**1,548**	**28,909**
Carrying amount:				
Balance at December 31, 2020	**$ 79,668**	**98,413**	**2,159**	**180,240**
Balance at January 1, 2019	**$ -**	**-**	**-**	**-**
Balance at December 31, 2019	**$ 31,659**	**120,283**	**2,625**	**154,567**

The Company impairment loss assessment for the years ended December 31, 2020 and 2019, please refer to note 6(9).

(11) Short-term borrowings

	December 31, 2020	December 31, 2019
Unsecured borrowings	**$ 900,000**	**200,000**
Unused credit lines	**$ 9,754,747**	**10,229,867**
Range of interest rates at the year end	**0.56%**	**0.73%**

(12) Long-term borrowings

	December 31, 2020	December 31, 2019
Unused credit lines	**$ 300,000**	**400,000**

(13) Lease liabilities

The carrying amounts of lease liabilities of the Company were as follows:

	December 31, 2020	December 31, 2019
Current (recognized under other current liabilities)	**$ 29,530**	**26,511**
Non-current (recognized under other non-current liabilities)	**$ 152,184**	**128,906**

For the maturity analysis, please refer to note 6(26) “Financial instruments”.

The amounts recognized in profit or loss were as follows:

		2020	2019
Interest on lease liabilities	$	2,146	1,891
Variable lease payments not included in the measurement of lease liabilities	$	274	256
Expenses relating to short-term leases	$	1,066	-
Expenses relating to leases of low value assets, excluding short term leases of low value assets	$	1,821	1,760

The amounts recognized in the statement of cash flows were as follows:

		2020	2019
Total cash outflow for leases	$	33,212	32,314

A. Land and Buildings lease

The Company leases land and buildings for its facility and office space. The leases of office space typically run for a period of 7 to 20 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Land leases’ additional rent payments that are based on changes in local price indices and the public facilities construction costs re invested annually in each park will be adjusted after being assessed.

B. Other leases

The Company leases vehicles and equipment with lease terms of two to three years. In some cases, the Company has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

(14) Provision

The details of the movement in the Company’s provisions were as follows:

		Onerous contracts
Balance of January 1, 2020	$	4,844,899
Reverse of provision		(630,055)
Balance of December 31, 2020	$	4,214,844
Current	$	221,949
Non-current		3,992,895
Total amount	$	4,214,844

		Onerous contracts
Balance of January 1, 2019	$	960,292
Provisions made during the year		4,193,975
Reverse of provision		(309,368)
Balance of December 31, 2019	**$**	**4,844,899**
Current	$	221,949
Non-current		4,622,950
Total amount	**$**	**4,844,899**

The Company entered into several non-cancellable long-term material supply agreements with the suppliers of silicon materials. The Company agrees to purchase the required quantity of raw materials on schedule based on the contractual price during the commitment periods and makes a non-refundable prepayment to the suppliers. The suppliers need to deliver the required quantity of raw materials to the Company according to the contract. Provisions for the onerous contracts were made based on contractual terms and were recognized as cost of sales. For the related agreement, please refer to note 9.

(15) Employee benefits

A. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value was as follows:

		December 31, 2020	December 31, 2019
Total present value of obligations	$	(29,990)	(23,017)
Fair value of plan assets		27,470	26,121
Recognized assets (liabilities) for defined benefit obligations	**$**	**(2,520)**	**3,104**

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.

(a) 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 (the Labor Fund Bureau). In accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the use of the fund, the minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The balance of the Company's labor retirement reserve account at Bank of Taiwan on the reporting date was $27,470 thousand. For information on the utilization of the labor pension fund assets, including the assets allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(b) Movements in present value of the defined benefit obligations

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

	2020	2019
Defined benefit obligations at January 1	$ 23,017	27,141
Current service costs and interest cost	405	535
Re-measurements for defined benefit obligations		
—Actuarial gains and losses arising from experience adjustments	5,791	710
—Actuarial gains and losses resulting from changes in demographic assumptions	24	25
—Actuarial gains and losses resulting from changes in financial assumptions	753	613
Benefits paid	-	(6,007)
Defined benefit obligations at December 31	$ **29,990**	**23,017**

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

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

	2020	2019
Fair value of plan assets at January 1	$ 26,121	30,374
Interest income	197	305
Re-measurements for defined benefit obligations		
—Return on plan asset (excluding current interest)	902	1,179
Contributions made	250	270
Benefits paid	-	(6,007)
Fair value of plan assets at December 31	$ **27,470**	**26,121**

(d) Change in the effect of the asset ceiling

As of December 31, 2020 and 2019, there was no effect of the asset ceiling.

(e) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2020 and 2019, were as follows:

		2020	2019
Current service costs	$	232	263
Net interest of defined benefit obligation		(24)	(33)
	$	**208**	**230**
Operating Costs	$	112	90
Selling expenses		30	72
Administrative expenses		18	20
Research and development expenses		48	48
	$	**208**	**230**

(f) Actuarial assumptions

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

	December 31, 2020	December 31, 2019
Discount rate	0.500%	0.750%
Future salary increase rate	2.000%	2.000%

The estimated amount of contribution to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $250 thousand.

The weighted average duration of the defined benefit plan is 10.1 years.

(g) Sensitivity analysis

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation as of December 31, 2020 and 2019.

		Impact on defined benefit obligations	
Actuarial assumptions		**Increased by 0.25%**	**Decreased by 0.25%**
December 31, 2020			
Discount rate	$	(753)	778
Future salary increase rate		753	(732)
December 31, 2019			
Discount rate	$	(613)	635
Future salary increase rate		616	(598)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, assuming other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in previous periods. There was no change in the method and assumptions used in the preparation of sensitivity analysis for 2020 and 2019.

There was no change in the method and assumptions used in the preparation of the sensitivity analysis for 2020 and 2019.

B. Defined contribution plans

The Company contributes at the rate of 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company's contribution to the Bureau of Labor Insurance requires no additional legal or constructive obligations thereafter.

The pension costs incurred from contributions to the defined contribution plan were $34,194 thousand and $24,241 thousand for the years ended December 31, 2020 and 2019, respectively. Such contributions were made to the Bureau of the Labor Insurance, Ministry of Labor.

(16) Income tax

A. Income tax expense

The components of income tax expenses (benefit) in 2020 and 2019 were as follows:

		2020	2019
Current tax expense			
Current tax period	$	1,125	1,269
Adjustment for prior period		3,510	(2,576)
		4,635	(1,307)
Deferred tax expense (benefit)			
Temporary difference		(26,212)	79,269
Income tax expense (benefit)	**$**	**(21,577)**	**77,962**

The amounts of income tax (benefit) recognized in other comprehensive income in 2020 and 2019 were as follows:

		2020	2019
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	**$**	**18,327**	**4,866**

Reconciliations of income tax and income before income tax for 2020 and 2019 were as follows:

	2020	2019
Income before income tax	$ 6,304,658	2,326,348
Income tax using the Company's domestic tax rate	1,260,932	465,270
Tax effect of permanent differences	(1,536,290)	(1,087,634)
Adjustment for prior period	(3,510)	(2,576)
Changes in unrecognized temporary differences and others	257,291	702,902
	$ (21,577)	**77,962**

B. Deferred tax assets and liabilities

(a) The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as at December 31, 2020 and 2019. Also, the management considers it is probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized as deferred tax liabilities. The deferred tax assets have not been recognized in respect of the following items:

	December 31, 2020	December 31, 2019
Tax effect of deductible temporary differences	$ 1,227,306	1,351,127
Carryforward of unused tax losses	723,032	679,200
	$ 1,950,338	**2,030,327**

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As on December 31, 2020, the information of the Company's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax losses	Expiry date
2012 (verified)	$ 1,403,648	2022
2013 (verified)	9,728	2023
2017 (verified)	1,021,784	2027
2018 (verified)	1,180,000	2028
	$ 3,615,160	

(b) Recognized deferred tax assets and liabilities

Deferred tax assets:

		January 1, 2019	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2019	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2020
Allowance for inventory valuation	$	62,312	(47,851)	-	14,461	(6,355)	-	8,106
Others		50,237	771	4,866	55,874	(272)	18,327	73,929
	$	**112,549**	**(47,080)**	**4,866**	**70,335**	**(6,627)**	**18,327**	**82,035**

Deferred tax liabilities:

		January 1, 2019	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2019	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2020
Others	$	**(650)**	**(32,189)**	**-**	**(32,839)**	**32,839**	**-**	**-**

C. Assessment of tax filings

The Company’ s income tax returns for the years through 2018 have been examined and approved by the R.O.C. income tax authorities.

(17) Capital and other equity

As of December 31, 2020 and 2019, the authorized common stock of the Company amounted to $8,000,000 thousand, which was divided into 800,000 thousand shares, with a par value of $10 per share, of which $200,000 thousand was reserved for employee stock options, convertible preferred stock, and convertible corporate bonds. The issued and outstanding shares of common stock amounted to $5,862,217 thousand and $5,862,367 thousand, respectively.

The reconciliation of shares outstanding for the years ended December 31, 2020 and 2019 was as follows (in thousands of shares):

	Common stock	
	2020	**2019**
Opening balance on January 1	584,573	582,880
Restricted employee shares	1,649	1,693
Closing balance on December 31	**586,222**	**584,573**

A. Issuance of common stock

The Company increased capital in GDRs of $610,000 thousand, and issued 61,000 thousand shares of common stock on the Luxembourg on September 9, 2010. The price issued per share was US$2.9048. The total issuance amount is US$177,193 thousand. The cash increase was approved by the Financial Supervisory Commission No.0990041383. Letter on August 13, 2010. All shares issued were paid and registered on September 9, 2010. The total amount issued was US$177,193. The net amount issued was US$174,931 thousand after deducting the related agent cost US$2,262 thousand, was equivalent to $5,580,288 thousand on the day’s closing exchange rates. The total premium amounting to $4,958,757 thousand was recognized on capital surplus after deducting the related issuance cost of $11,531 thousand.

As of December 31, 2020 and 2019, a total of nil thousand shares and 317 thousand shares, respectively, of employee restricted shares were rescinded and subjected to cancellation due to resignation of employees. As of December 31, 2020 and 2019, there were still nil thousand and 15 thousand shares. Respectively, whose legal registration procedures are uncompleted and recognized as share capital awaiting for retirement.

B. Capital surplus

The balances of capital surplus were as follows:

	December 31, 2020	December 31, 2019
Additional paid in capital	$ 10,285,706	11,641,320
Difference between the consideration and the carrying amount of subsidiaries' share acquired or disposed	1,887,671	2,065,254
Capital surplus recognized under the equity method	6,667,167	6,665,682
Treasury stock transactions	33,314	33,314
New restricted employee shares	-	60,522
Employee stock options	607,376	606,503
	$ 19,481,234	**21,072,595**

According to the R.O.C Company Act Section 241, the legal reserve and capital surplus may be distributed as cash dividends or stock dividends to the shareholders in proportion to the number of shares held. Distribution of legal reserve and capital reserve, by way of cash dividends, should be approved by the board of directors in a meeting attended by two-thirds of the total number of directors, with half of the directors' agreement; thereafter, be reported in the shareholders' meeting. The distribution of legal reserve and capital reserve through issuance of new shares shall be resolved during the shareholders' meeting.

The Company's resolutions to distribute cash dividends out of capital surplus for an amount of $1,416,136 thousand ($2.4157 per share) and $401,900 thousand ($0.6855 per share), respectively, were approved during the shareholders' meeting held on March 19, 2020 and June 27, 2019. Relevant information can be found on the Market Observation Post System website.

C. Legal reserve

According to the R.O.C Company Act Section 241, the legal reserve and capital surplus may be distributed as cash dividends or stock dividends to the shareholders in proportion to the number of shares held. Distribution of legal reserve and capital surplus, by way of cash dividends, should be approved by the board of directors in a meeting attended by two thirds of the total number of directors, with half of the directors' agreement; thereafter, be reported in the shareholders' meeting. The distribution of legal reserve and capital surplus through issuance of new shares shall be resolved during the shareholders' meeting.

D. 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 $161,317 thousand due to the adjustment of accumulated translation adjustment under the shareholders' equity, which exceeded the net increase of $102,349 thousand in retained earnings on the conversion date for the first time adoption of IFRSs approved by the FSC. In accordance with Regulatory Permit No.1010012865 as issued by the FSC on April 6, 2012, a special reserve is appropriated from retained earnings based on the net increase of retained earnings arising from the first adoption of IFRSs. Under such regulation, the Company is also required to set aside an additional special reserve, as part of the distribution of its annual earnings, equal to the difference between the amount of the abovementioned special reserve and the net debit balance of other components of the stockholders' equity. The only distributable special reserve is the portion that exceeds the net debit balance of the other components of the shareholders' equity.

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

E. Earnings distribution and dividend policy

On June 23, 2020, the amendment to the Company's Articles of Incorporation was approved during the shareholders' meeting. The proposal of surplus earning distribution or loss offsetting for the first half fiscal year, together with the business report and financial statements, shall be forwarded to the audit committee for auditing before the end of the second half of the fiscal year; thereafter, be submitted to the board of directors for approval.

Distribution of earnings, by way of cash, shall be approved in the board of directors' meeting. The distribution of earnings through issuance of new shares shall be resolved in the stockholders' meeting.

The Company's Article of Incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, and subsequently any remaining profit together with any undistributed retained earnings shall be distributed, in form of cash dividends, according to the distribution plan approved by the Board of Directors with two-thirds of directors present and approved by one-half of the present directors and further submitted to the shareholders' meeting, in accordance with the R.O.C. Company Act Section 240(5). The distribution plan to issue new shares should be proposed by the Board of directors and submitted to the shareholders' meeting for approval.

After considering both the long-term development of the business and the goal of stable growth of earnings per share, the distribution of dividends to shareholders should not be less than 50% of the distributable earnings, which is calculated using the net income of the current year, minus, legal reserve and special reserve. The distribution of cash dividends should not be less than 50% of the total dividends.

On March 19, 2020, the appropriation of the earnings in 2019 was resolved at the Board of Directors' meeting. The appropriation of earnings in 2018 was resolved at the annual meeting of shareholders on June 27, 2019. The relevant dividend distributions to shareholders were as follows:

	2019	2018
Dividends distributed to ordinary shareholders		
Cash (dividends per share were $2.5843 and $2.3145, respectively)	$ 1,514,973	1,356,963

On December 10, 2020, the Company's Board of Directors resolved to the appropriation the of the first half of 2020 earnings. The earnings were appropriated as follows:

	The first half of 2020
Dividends distributed to ordinary shareholders	
Cash (dividends per share were $3.5)	$ 2,051,776

The above-mentioned information is available on the Market Observation Post System website.

F. Other equity, net of tax

	Exchange differences on translation of foreign financial statements	Gains (losses) on equity instruments measured at fair value through other comprehensive income	Unearned compensation cost	Others	Total
Balance at January 1, 2020	$ (2,224,344)	(1,585,242)	(18,608)	(3,268)	(3,831,462)
Exchange differences on translation of net assets of foreign operations	(104,374)	-	-	-	(104,374)
Share of exchange differences on associates accounted using equity method	3,680	-	-	2,893	6,573
Share of unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of subsidiaries accounted using equity method	-	398,280	-	-	398,280
Share of unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates accounted using equity method	-	116,509	-	-	116,509
Compensation cost of restricted stock awards	-	-	18,608	-	18,608
Balance at December 31, 2020	**$ (2,325,038)**	**(1,070,453)**	**-**	**(375)**	**(3,395,866)**
Balance at January 1, 2019	$ (1,586,241)	(1,406,132)	(75,334)	(3,380)	(3,071,087)
Exchange differences on translation of net assets of foreign operations	(631,106)	-	-	-	(631,106)
Share of exchange differences on associates accounted using equity method	(6,997)	-	-	112	(6,885)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(24,230)	-	-	(24,230)
Share of unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates accounted using equity method	-	158,135	-	-	158,135
Compensation cost of restricted stock awards	-	-	56,726	-	56,726
Disposal of equity instruments measured at fair value through other comprehensive income	-	(313,015)	-	-	(313,015)
Balance at December 31, 2019	**$ (2,224,344)**	**(1,585,242)**	**(18,608)**	**(3,268)**	**(3,831,462)**

(18) Share-based payment

A. Restricted stock to employee

On June 27, 2017, the Company resolved through the shareholders' meeting to issue 6,000 thousand new restricted employee shares. The grant 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 $67.2.

The employees who have been allocated the above mentioned new restricted employee shares will be able to subscribe for the shares at $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:

(a) 1 year of service: 40%

(b) 2 year of service: 70%

(c) 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 the Company; 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. The Company will repurchase the restricted stock from employees at the issue price when the vesting conditions cannot be met. The information of the Company's restricted shares were as follows:

Unit: Thousand shares

	2020	2019
Outstanding at January 1	1,649	3,408
Vested during the year	(1,649)	(1,693)
Forfeited during the year	-	(66)
Outstanding at December 31	**-**	**1,649**

The compensation costs recognized by the Company in 2020 and 2019 were $18,608 thousand and $53,611 thousand respectively, and the operating costs and operating expenses were accounted for. The balance of the unvested employee compensation of the Company on December 31, 2020 and 2019 were nil thousand and $18,608 thousand, where were accounted for as reductions of other equity.

(19) Earnings per Share

A. Basic earnings per share

	2020	2019
Net Income attributable to the owner of the Company	**$ 6,326,235**	**2,248,386**
Weighted average number of ordinary shares outstanding during the year (in thousands of shares)	**584,916**	**583,210**
Basic earnings per share (NT dollars)	**$ 10.82**	**3.86**

B. Diluted earnings per share

	2020	2019
Net Income attributable to the owner of the Company	**$ 6,326,235**	**2,248,386**
Weighted average number of ordinary shares outstanding during the year (in thousands of shares) (basic)	584,916	583,210
Effect of dilutive potential ordinary shares (shares in thousands)	5,866	3,899
Weighted-average number of ordinary shares outstanding (in thousands of shares) (diluted)	**590,782**	**587,109**
Diluted earnings per share (NT dollars)	**$ 10.71**	**3.83**

(20) Revenue from contracts with customers

A. Details of revenues

	2020	2019
Primary geographical markets:		
Taiwan	$ 3,019,548	1,836,042
Asia-other	466,275	1,105,912
Northeast Asia (Japan and Korea)	368,421	1,104,253
America	1,423,332	1,511,115
Europe	152,758	443,389
Other areas	12	2,174
	$ 5,430,346	**6,002,885**
Major product categories		
Solar cell	$ 1,937,190	3,020,157
Solar ingot	928,837	792,922
Solar module	19,446	178,923
Solar wafer	170,789	144,716
Others	2,374,084	1,866,167
	$ 5,430,346	**6,002,885**

B. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes and accounts receivable (including related parties)	$ 466,811	429,647	754,418
Contract liabilities	$ 1,175,853	1,204,195	1,251,743

The major change in the balance of contract liabilities is the advance consideration received from customers for the contracts, in which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the years ended December 31, 2020 and 2019, which was included in the contract liability balance at the beginning of the period, was $548,504 thousand and $108,065 thousand, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the solar products of sales contracts and project payment received in advance, in which revenue is recognized when products are delivered to customers.

(21) Remuneration to employees and directors

In accordance with the Articles of Incorporation 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 Company has an accumulated loss, 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.

For the years ended December 31, 2020 and 2019, the Company accrued and recognized its employee remuneration amounting to $506,993 thousand and $196,400 thousand and directors' amounting to $45,740 thousand and $41,790 thousand respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's Articles of Incorporation, and expensed under operating costs or expenses. If, however, the shareholders determine that the employee remuneration is to be distributed through stock dividends, the calculation, based on the shares, shall be calculated using the stock price on the day before the board of directors' meeting. The difference between estimated amount and actual payment, if any, will be treated as change in accounting estimate and recognized in profit or loss in the following year.

The amounts as stated in the parent-company-only financial statements were not significantly different from those approved in the board of directors' meetings. The information is available on the Market Observation Post System website.

(22) Interest income

		2020	2019
Interest income	$	9,532	26,632
Interest income from financial assets measured at amortized cost		9,450	11,753
	$	**18,982**	**38,385**

(23) Other gains and losses

		2020	2019
Foreign currency exchange losses	$	(57,758)	(40,606)
Dividend income		2,210	5,340
Reversal (recognition) of Impairment loss on financial assets measured at amortized cost		22,519	(25,973)
Gain on disposal of investees		34,165	-
Realized gains on financial assets (liabilities) measured at fair value through profit or loss		310	5,705
Gain on disposal of property, plant and equipment		10,242	30,812
Others		127,592	128,268
	$	**139,280**	**103,546**

(24) Financial costs

		2020	2019
Interest expense of borrowings	$	5,431	23,173
Interest expense of lease liability		2,146	1,891
	$	**7,577**	**25,064**

(25) Share of other comprehensive income of associates accounted for using equity method

		2020	2019
Exchange differences on translation of foreign operations	$	3,680	(6,997)
Unrealized gains on financial assets at fair value through other comprehensive income		116,509	141,902
	$	**120,189**	**134,905**

(26) Financial instruments

A. Credit risk

(a) Credit risk exposure

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

(b) Concentration of credit risk

The main customers of the Company are from the solar industries. The Company generally sets credit limits to its customers according to their credit evaluations. Therefore, the credit risk of the Company is mainly influenced by the solar and silicon wafer industry. As of December 31, 2020 and 2019, 99% both of the Company's accounts receivable (including related parties) were from the top 10 customers. Although there is a potential for concentration of credit risk, the Company routinely assesses the collectability of the accounts receivable and makes a corresponding allowance for doubtful accounts.

(c) 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. The impairment loss of financial assets measured at amortized cost, please refer to note 6(4).

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to note 4(6) regarding how the Company determines whether the financial instruments are considered to be low credit risk).

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying Amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years or more
December 31, 2020						
Non-derivative financial liabilities						
Short term borrowings	$ 900,000	(900,612)	(900,612)	-	-	-
Notes and accounts payable (including related parties)	714,114	(714,117)	(714,114)	-	-	-
Current and non-current lease liabilities	181,714	(191,129)	(15,867)	(15,867)	(30,562)	(132,047)
Dividends payable	2,051,776	(2,051,776)	(2,051,776)	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	45,740	(45,740)	(45,740)	-	-	-
Payroll and bonus payable	739,758	(739,758)	(739,758)	-	-	-
	$ 4,633,102	**(4,643,132)**	**(4,467,867)**	**(15,867)**	**(30,562)**	**(132,047)**

	Carrying Amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years or more
December 31, 2019						
Non-derivative financial liabilities						
Short term borrowings	$ 200,000	(200,648)	(200,648)	-	-	-
Notes and accounts payable (including related parties)	503,409	(503,409)	(503,409)	-	-	-
Current and non-current lease liabilities	155,417	(160,695)	(14,052)	(14,052)	(28,247)	(104,344)
Derivative financial liabilities						
Outflows	68	(90,465)	(90,465)	-	-	-
Inflows	-	90,075	90,075	-	-	-
	$ 858,894	(865,142)	(718,499)	(14,052)	(28,247)	(104,344)

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

C. Currency risk

(a) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

	December 31, 2020		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary Items			
USD	$ 43,220	28.480	1,230,906
JPY	1,240	0.2763	343
EUR	4,231	35.020	148,170
Investment accounted for equity method			
USD	45,517	28.480	1,350,092
EUR	19,280	35.020	460,160
Financial liabilities			
Monetary Items			
USD	15,836	28.480	451,009
JPY	4,547	0.2763	1,256
EUR	5,778	35.020	202,346

	December 31, 2019		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary Items			
USD	$ 62,104	29.980	1,861,878
JPY	1,858	0.2760	513
EUR	19	33.590	638
Investment accounted for under equity method			
USD	45,563	29.980	1,433,005
EUR	14,573	33.590	385,238
Financial liabilities			
Monetary Items			
USD	15,001	29.980	449,730
JPY	4,587	0.2760	1,266
EUR	409	33.590	13,738
Derivative items			
USD	3,000	29.980	Note

Note: The fair value of forward exchange contracts was measured at the reporting date. For related information, please refer to note 6(2).

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, and notes and accounts payables that are denominated in foreign currency. A weakening (strengthening) of 1% of the NTD against the USD, JPY and EUR, as of December 31, 2020 and 2019, would have increased or decreased the net income before income tax by $7,248 thousand and $13,983 thousand, respectively. The analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(c) Foreign exchange gain and losses on monetary exchange

The exchange rate information and 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) were as follows:

	2020		2019	
	Foreign exchange gains (losses)	**Average rate**	**Foreign exchange gains (losses)**	**Average rate**
USD	$ (62,196)	29.533	(35,166)	30.912
EUR	4,468	33.738	(4,889)	34.610
JPY	3	0.2769	20	0.2837
CHF	8	33.22	(2)	31.09
RMB	(41)	4.281	(569)	4.472
	$ (57,758)		**(40,606)**	

D. Interest rate analysis

Please refer to the notes on liquidity risk management for interest rate exposure of the Company's financial assets and financial liabilities.

The following sensitivity analysis is based on the exposure to interest rates. Regarding liabilities with floating interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased or decreased by 0.25%, the Company's net income before income tax would have decreased or increased by $937 thousand and increased or decreased by $2,642 thousand, for the years ended December 31, 2020 and 2019, respectively, assuming all other variable factors remain constant. This is mainly due to the Company's bank deposits and borrowings with variable rates.

E. Other price risk

For the years ended December 31, 2020 and 2019, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31,			
	2020		**2019**	
Prices of securities on the reporting date	**Other comprehensive income after tax**	**Net Income**	**Other comprehensive income after tax**	**Net Income**
Increasing 5%	$ 305	-	305	-
Decreasing 5%	(305)	-	(305)	-

F. Fair value of financial instruments

(a) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2020				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Non-public offer equity instrument measured at fair value	$ 6,095	-	-	6,095	6,095
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 781,889	-	-	-	-
Notes and accounts receivable (including related parties)	2,605,165	-	-	-	-
Other financial assets－non-current	42,564	-	-	-	-
Corporate bonds-current	277,895	-	277,895	-	277,895
Subtotal	$ 3,707,513	-	277,895	-	277,895
Financial liabilities measured with amortized costs					
Short-term borrowings	$ 900,000	-	-	-	-
Accounts payable (including related parties)	714,114	-	-	-	-
Lease liabilities-current and non-current	181,714	-	-	-	-
Subtotal	$ 1,795,828	-	-	-	-

	December 31, 2019				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Non-public offer equity instrument measured at fair value	$ 6,095	-	-	6,095	6,095
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,256,788	-	-	-	-
Notes and accounts receivable (including related parties)	831,614	-	-	-	-
Other financial assets－current and non-current	22,651	-	-	-	-
Corporate bonds－current and non-current	507,680	-	507,680	-	507,680
Subtotal	$ 2,618,733	-	507,680	-	507,680
Financial liabilities at fair value through profit or loss					
Forward exchange agreement	$ 68	-	68	-	68
Financial liabilities measured with amortized costs					
Short-term borrowings	$ 200,000	-	-	-	-
Notes and accounts payable (including related parties)	503,409	-	-	-	-
Lease liabilities-current and non-current	155,417	-	-	-	-
Subtotal	$ 858,826	-	-	-	-

(b) Valuation technique of fair value of financial instruments that are not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

(c) Valuation technique of fair value of financial instruments measured at fair value

i. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well established, only small volumes are traded, or bid ask spreads are very wide. Determining whether a market is active involves judgment.

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 listed 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 calculation with the model and the market information 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 listed companies' quotes. The estimate has adjusted the depreciation impact of the lack of market liquidity of the equity securities.

ii. Derivative financial instruments

Measurement of the fair value of derivative instruments are based on the valuation techniques generally accepted by market participants, such as the discounted cash flow or option pricing models. The fair value of forward currency is usually determined based by the forward currency exchange rate.

(d) Reconciliation of Level 3 fair value

The Company's financial instruments which belong to Level 3 fair value were financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss. The movements were as follows:

		Financial assets measured at fair value through other comprehensive income
Balance at January 1, 2020	$	6,095
Additions		-
Recognized in other comprehensive income		-
December 31, 2020	**$**	**6,095**
January 1, 2019	$	135,222
Additions		1,637
Recognized in other comprehensive income		(130,764)
December 31, 2019	**$**	**6,095**

(e) Quantitative information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include financial assets at fair value through other comprehensive income – equity investments.

Most of the fair value measurements categorized within Level 3 uses a single significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

Quantified information of significant unobservable inputs were 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 income-equity instrument investment without active market	Comparable listed companies approach	· Equity value multiplier (December 31, 2020 and December 31, 2019 are 2.27~18.90 and 0.73~18.08) · Lack of market liquidity discount (December 31, 2020 and December 31, 2019 are 28% and 28%)	· The higher the multiplier, the higher the fair value · The higher the lack of market liquidity discount, the lower the fair value

(f) 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.

(g) As of December 31, 2020 and 2019, there were no transfer at fair value level.

(27) Financial risk management

A. Overview

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

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying parent-company-only financial statements.

B. Structure of risk management

The board of directors has overall responsibility for the establishment and oversight of the risk management framework. The board is responsible for developing and monitoring Company's risk management policies. Internal auditors assist the board of directors to monitor and review the risk management control and internal procedures regularly and report them to the board of directors.

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

The Company's audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, and the results of which are reported to the audit committee.

C. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

(a) Accounts receivables and other receivables

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

(b) Investment

The credit risk exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Company's finance department. As the Company deals with banks, financial institutions, and other external parties with good credit standing, corporate organization and government agencies which are graded above par level, management believes that the Company do not have compliance issues and no significant credit risk.

(c) Guarantee

According to the Company's policy, the Company can only provide endorsements for companies with business dealing, the companies directly or indirectly owned more than 50% shares with voting right by the Company, or the companies directly or indirectly owned more than 50% shares with voting right of the Company. As of December 31, 2020 and 2019 the Company did not provide any endorsement guarantees except to its subsidiaries.

D. Liquidity risk

There is no liquidity risk of being unable to raise capital to settle contract obligations since the Company has sufficient capital and working capital to fulfill contract obligations.

Loans and borrowings from the bank form an important source of liquidity for the Company. As of December 31, 2020 and 2019, the Company's unused credit lines were $10,054,747 thousand and $10,629,867 thousand, respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Company, primarily the New Taiwan Dollar (NTD). These transactions are denominated in NTD, USD, JPY and EUR.

Interest is denominated in the currency used in borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company, primarily NTD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when it is necessary to address short-term imbalances.

(b) Interest rate risk

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

(c) Interest rate risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading.

Please refer to note 6 (26) for the risk of change.

(28) Capital management

The board of directors’ policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, capital surplus, retained earnings and other equity interests of the Company. The board of directors monitors the return on capital as well as the level of dividends to ordinary stockholders.

The Company’s debt to equity ratios at the end of the reporting periods were as follows:

	December 31, 2020	December 31, 2019
Total liabilities	$ 10,286,124	7,618,133
Less: cash and cash equivalents	(781,889)	(1,256,788)
Net debts	**$ 9,504,235**	**6,361,345**
Total equity	**$ 28,160,826**	**26,670,241**
Debt-to-equity ratio	**33.75 %**	**23.85 %**

The increase in dividends payable resulted in the debt-to-equity ratio to increase as at December 31, 2020.

(29) Cash flow information

The Company's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2020 and 2019 were as follows:

For acquiring right of use assets by leasing, please refer to note 6(10).

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2020	Cash flows	Others	December 31, 2020
Short-term borrowings	$ 200,000	700,000	-	900,000
Lease liabilities	155,417	(27,905)	54,202	181,714
Guarantee deposit received	762	6	-	768
Total liabilities from financing activities	**$ 356,179**	**672,101**	**54,202**	**1,082,482**

	January 1, 2019	Cash flows	Others	December 31, 2019
Short-term borrowings	$ 2,717,125	(2,517,125)	-	200,000
Long-term borrowings	1,610,200	(1,610,200)	-	-
Lease liabilities	180,137	(28,407)	3,687	155,417
Guarantee deposit received	-	762	-	762
Total liabilities from financing activities	**$ 4,507,462**	**(4,154,970)**	**3,687**	**356,179**

7. Related-party transactions:

(1) Names and relationship with related parties

The subsidiaries and other parties involved in the transaction of the Company during the period cover in the parent-company-only financial statements were as follows:

Names of related parties	Relationship with the Company
Sino Silicon Technology Inc. (SSTI)	Subsidiaries directly held by the Company
GlobalWafers	Subsidiaries directly held by the Company
Aleo Solar GmbH (Aleo Solar)	Subsidiaries directly held by the Company
Aleo Solar Distribuzione Italia S.r.l (Aleo Solar Italia)	Subsidiary indirectly owned by the Company
Aleo Sunrise	Subsidiary indirectly owned by the Company (Note 3(1))
SAS Sunrise Inc.	Subsidiaries directly held by the Company
SAS Sunrise Pte. Ltd.	Subsidiary indirectly owned by the Company
Sulu Electric Power and Light Inc. (Sulu)	Subsidiary indirectly owned by the Company (Note 1)

Names of related parties	Relationship with the Company
AMLED International Systems Inc. (AMLED)	Subsidiary indirectly owned by the Company (Note 2)
SAS Holding Co., Ltd. (SASH)	Subsidiaries directly held by the Company (Note 6)
Sunrise PV World Co. (Sunrise PV World)	Subsidiaries directly held by the Company (Note 3(9))
Sunrise PV Electric Power Five (Sunrise PV Electric Five)	Subsidiaries directly held by the Company (Note 3(11))
Sunrise PV Two Co., Ltd. (Sunrise PV Two)	Subsidiary indirectly owned by the Company (Note 5)
Sunrise PV Electric Power Two (Sunrise PV Electric Two)	Subsidiary indirectly owned by the Company (Note 4)
Sunrise PV Three Co., Ltd. (Sunrise PV Three)	Subsidiary indirectly owned by the Company (Note 3(9))
Sunrise PV Four Co., Ltd. (Sunrise PV Four)	Subsidiary indirectly owned by the Company (Note 3(4))
Global Semiconductor Inc. (GSI)	Subsidiary indirectly owned by the Company
GWafers Singapore Pte.Ltd.(GWafers Singapore)	Subsidiary indirectly owned by the Company (Note 3(5))
Topsil GlobalWafers A/S (Topsil A/S)	Subsidiary indirectly owned by the Company (Note3(6))
Kunshan Sino Silicon Technology Co., Ltd. (Kunshan Sino)	Subsidiary indirectly owned by the Company
GlobiTech Incorporated.(GTI)	Subsidiary indirectly owned by the Company
GlobalWafers Japan Co., Ltd. (GWJ)	Subsidiary indirectly owned by the Company
Topsil Semiconductor sp z o.o.(Topsil PL)	Subsidiary indirectly owned by the Company
GlobalWafers Singapore Pte. Ltd. (GWS)	Subsidiary indirectly owned by the Company
GlobalWafers B.V. (GWBV)	Subsidiary indirectly owned by the Company
GlobalWafers GmbH (GW GmbH)	Subsidiary indirectly owned by the Company (Note 7)
MEMC Japan Ltd. (MEMC Japan)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials SpA (MEMC SpA)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials France SarL(MEMC SarL)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials GmbH (MEMC GmbH)	Subsidiary indirectly owned by the Company

Names of related parties	Relationship with the Company
MEMC Holding B.V. (MEMC BV)	Subsidiary indirectly owned by the Company (Note 3(2))
GlobalWafers Holding Co., Ltd. (GWH)	Subsidiary indirectly owned by the Company (Note 6)
MEMC Korea Company (MEMC Korea)	Subsidiary indirectly owned by the Company (Note 3(3))
MEMC LLC (MEMC LLC)	Subsidiary indirectly owned by the Company
MEMC Electronic Materials, Sdn Bhd (MEMC Sdn Bhd)	Subsidiary indirectly owned by the Company (Note 3(8))
SunEdison Semiconductor Technology (Shanghai) Ltd. (SunEdison Shanghai)	Subsidiary indirectly owned by the Company (Note 3(10))
Taisil Electronic Materials Corp. (Taisil)	Subsidiary indirectly owned by the Company (Note 3(7))
MEMC Ipoh Sdn Bhd (MEMC Ipoh)	Subsidiary indirectly owned by the Company
URE	URE is the main management of the Company (Note 8)
Accu Solar	An associate of the Company
Crystalwise	An associate of the Company
Advanced Wireless	An associate of the Company
Cathay Sunrise	An associate of the Company (Note 9)
Sunrise PV One Co., Ltd. (Sunrise PV One)	Subsidiaries of the associate of the Company (Note 9)
Cathay Sunrise One Co., Ltd. (Cathay Sunrise One)	Subsidiaries of the associate of the Company (Note 9)
Cathay Sunrise Two Co., Ltd. (Cathay Sunrise Two)	Subsidiaries of the associate of the Company (Note 9)
Cathay Sunrise Electric Power One (CSEPO)	Subsidiaries of the associate of the Company (Note 9)
Sunrise PV Five Co., Ltd.	Subsidiaries of the associate of the Company (Note 9 and 10)

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 have an owners' equity of AMLED. However, the Company controls the financial and operating strategies of AMLED and receives all benefits of its operations and net assets based on terms of the agreement. AMLED is considered a subsidiary.

Note 3: The Company adjusted its organizational structure as follows:

(1) Aleo Sunrise was transferred on March 2019 to the Company for 100% shareholding and liquidated in June 2019.

(2) MEMC BV was transferred from MEMC SpA to GWBV on June 18, 2019 and liquidated in September 2019.

(3) MEMC Korea was transferred from GWBV and MEMC BV to GWBV.

(4) Sunrise PV Four was transferred in January 2020 to GlobalWafers for 100% shareholding.

(5) GWafers Singapore was transferred from GWI to GlobalWafers.

(6) Topsil A/S was transferred from GlobalWafers to GWBV.

(7) Taisil was merged into GlobalWafers. After the merger, GlobalWafers became the surviving company and Taisil was dissolved. The merger occurs on February 1, 2020.

(8) MEMC Sdn Bhd was transferred from GWBV to SST.

(9) The Company merged with Sunrise PV Electric Power Five on February 1, 2020. After the merger, Sunrise PV Three was transferred to the Company.

(10) SunEdison Shanghai completed the liquidation process in July 2020.

(11) The Company invested in Sunrise PV Electric Power Five in December 2019 due to its operating strategy, and the investment of 100% ownership was transferred to GlobalWafers in July 2020.

Note 4: Sunrise PV Two was sold in July 2019.

Note 5: Sunrise PV Five was liquidated in May 2019.

Note 6: SASH and GWH were established in September 2020.

Note 7: GW GmbH was established in February 2020.

Note 8: URE has become a non-related party since the Company reelected its directors in June 2020.

Note 9: Cathay Sunrise has become a non-related party after the transfer of the equity on October 23, 2020.

Note 10: Sunrise PV Five was sold to Cathay Sunrise in March 2019.

(2) Significant transactions with related parties

A. Sales

The amounts of significant sales transactions and engineering contract revenue between the Company and related parties were as follows:

		2020	2019
Subsidiary	$	1,124,518	1,089,748
Associates		333,039	-
Other related parties		74,920	10,246
	$	**1,532,477**	**1,099,994**

In 2020 and 2019, the Company's processing revenue from related parties was $34,345 thousand and $40,505 thousand, respectively, booked as a reduction in operating costs.

The selling price for sales to the related parties was determined by market price and adjusted according to the sales area and sales volume.

The credit terms for third parties were 0 to 60 days after month end, while those for related parties were receipt in advance to 30 days after month end.

B. Purchase and outsourced processing

The amounts of purchase and outsourced processing from the related party were as follows:

		2020	2019
Subsidiary	$	4,797	1,740
Associates		34,300	-
Other related parties		2,309	11,248
	$	**41,406**	**12,988**

The prices of purchases and outsourced processing were determined by market rates.

The payment terms to third parties were 0 to 120 days after month end. In contrast, those to related parties were prepayment to 30 days after month end.

C. Receivables from related parties

The Company's receivables from related parties were as follows:

Items	Categories	December 31, 2020	December 31, 2019
Receivable from related parties	Subsidiaries-GlobalWafers	$ 200,201	214,321
Receivables from related parties	Subsidiaries- Others	2,579	9,636
Receivables from related parties	Other related parties	-	6,648
		$ 202,780	230,605

In order to maintain a stable supply of raw materials required for production, the related parties successively signed short-term and long-term supply contracts with the Company, and the details of the receipts in advance to the related parties (recognized as contract liabilities - current / non-current) were as follows:

	December 31, 2020	December 31, 2019
Other related party-URE	$ -	883,220

D. Accounts payable to related parties

The payables to related parties were as follows:

Items	Categories	December 31, 2020	December 31, 2019
Receivables from related parties	Subsidiary	$ 584	707

E. Transactions of property, plant and equipment

(a) Disposition of property, plant and equipment

The disposals of property, plant and equipment to related parties were summarized as follows:

	2020		2019	
	Disposal price	Receivable from related parties	Disposal price	Receivable from related parties
Subsidiary	$ 5,705	-	27,570	-
Associate	3,750	-	-	-
	$ 9,455	-	27,570	-

The realized gain in 2020 and 2019 were $4,968 thousand and $3,478 thousand respectively. As of December 31, 2020 and 2019, the unrealized gain from disposals of property, plant and equipment to related parties was $44,619 thousand and $37,837 thousand, respectively, recognized in the investments accounted for using equity method.

(b) Acquisition of property, plant and equipment

Purchase amounts of property, plant and equipment from related parties were summarized as follows:

	2020		2019	
	Amount	**Payable to related parties**	**Amount**	**Payable to related parties**
Associate- Crystalwise	$ **860,000**	-	-	-

F. Revenue of management fee and technology service fees

The Company collected the management fees and technology service fees from related parties and recorded in other gains or losses as follows:

	2020	2019
Subsidiary	$ 24,854	41,633
Associate	2,000	-
	$ **26,854**	**41,633**

As of December 31, 2020 and 2019, the receivables resulting from management fees and technology service fees were $13,526 thousand and $13,730 thousand respectively, booked in receivables from related parties.

As of December 31, 2020, the Company's receipts in advance from subsidiaries for the service amounted to $1,931 thousand which was recognized as other current liabilities.

G. Loan to related parties

The actual loan to the related parties is as follows:

	December 31, 2020	December 31, 2019
Subsidiary－Sulu	$ 284,800	298,901
Subsidiary－Other	50,000	52,000
	$ **334,800**	**350,901**

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 2020 and 2019 were $6,671 thousand and $13,703 thousand, respectively. As of December 31, 2020 and 2019, interest receivable were $663 thousand and $892 thousand, respectively, recognized in receivables from related parties.

As of December 31, 2020 and 2019, the subsidiaries involved in the aforementioned transaction capitalized the interest expenses, and the unrealized interests were $3,660 thousand and $3,899 thousand respectively, which were recognized in the investments accounted for using equity method.

H. Loan from related parties

The loans from the related parties were as follows:

	December 31, 2020	December 31, 2019
Subsidiary－Aleo Solar	$ 192,610	-

The interests of loans from subsidiaries are based on subsidiaries' average interest rate of loans from financial institutions, and they are all unsecured loans. The interest expense in 2020 was 340 thousand. As of December 31, 2020, the interest payable was 340 thousand, which was booked as accounts payable to related parties.

I. Endorsements/guarantees

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

	December 31, 2020	December 31, 2019
Subsidiary	$ 1,310,671	2,079,080

The Company charged the handling fee of endorsements and guarantees from related parties. As of December 31, 2020 and 2019, the interest income were $9,170 thousand and $10,296 thousand, respectively.

J. Corporate bonds

In October 2016 and January 2019, the Company purchased five year private issued corporate bonds and one year private issued corporate bonds issued by Crystalwise Technology, for an amount of $280,000 thousand and $250,000 thousand respectively. The interest rate and the coupon rate were both 2%.

As of December 31, 2020 and 2019, the interest income amounted to $9,450 thousand and $11,753 thousand, respectively. As of December 31, 2020 and 2019, the accumulated investment cost and interests receivable amounted to $277,895 thousand and $507,680 thousand, respectively, and were recorded in financial assets measured at amortized cost－current and non-current.

K. Lease

(a) The details of rental expenses and payables resulting from the lease contracts between the Company and its related parties were as follows:

	2020	2019
Subsidiary	$ **816**	**-**

Account	Classification of related party	December 31, 2020	December 31, 2019
Accounts payable to related parties	Subsidiary	$ **71**	**-**

Please refer to note 6(13) for detail of the Company's lease from the related party. The above mentioned contract has been applied to IFRS 16 for the first adoption on January 1, 2019, and been accounted for the right of use assets and lease liabilities amounting $811 thousand, which has been fully amortized in the year of 2019.

As of December 31, 2019, the Company has paid in full of the lease payables to other related parties.

(b) The details of rental income and receivables of the lease contracts with related parties are as follows:

	2020	2019
Subsidiary	$ 10,671	9,181
Associate	15,004	310
	$ **25,675**	**9,491**

Account	Classification of related party	December 31, 2020	December 31, 2019
Accounts receivable-related parties	Subsidiary	$ 2,802	-
Accounts receivable-related parties	Associate	2,217	2,766
		$ **5,019**	**2,766**

L. Others

(a) The Company's direct sales to the related parties is regarded as the transfer of inventories. Therefore, the revenue and cost of goods sold are not recognized in the parent-company-only financial statements. As of December 31, 2020 and 2019, the deferred revenue arising from the above transactions were $28,375 thousand and $30,951 thousand, respectively, recognized in the investments accounted for using equity method.

In addition, as of December 31 2020 and 2019, the sales of raw materials to the subsidiaries is regarded as the transfer of inventories, and the gross loss of $38,410 thousand and $34,329 thousand, respectively, were deferred and recognized in the investments accounted for using equity method.

(b) The subsidiaries undertook projects and purchased modules from the Company in 2019. Due to changes in the project plan, no actual revenues were recognized. According to the sales contract, the compensation the Company needing to seek from the subsidiaries for the loss of inventories was $29,821 thousand was recognized as the deduction of cost of goods sold and miscellaneous income. As of December 31, 2019, the amount of $29,821 thousand was recognized as account receivable from related parties.

(c) The revenue from providing legal consulting services for subsidiaries in 2020 and 2019 were both $1,500 thousand. As of December 31, 2020 and 2019, the Company has fully received.

(d) The subsidiary, GlobalWafers, with the approval of board of directors, declared cash dividends on December 9, 2020. The dividends receivable as of December 31, 2020 was $ 1,781,685 thousand, which was recognized in accounts receivable from related party.

M. Payment and advances from related parties

The receivables from related parties and payables to related parties generated from material purchases, insurance and utilities payments as of December 31, 2020 and 2019 were as follows:

	December 31, 2020	December 31, 2019
Subsidiary	$ 2,471	3,803
Subsidiary	(1,692)	(1,789)
Associate	190	54
Associate	-	(20)
	$ 969	**2,048**

(3) Key management personnel compensation

The remuneration to key management included:

	2020	2019
Short-term employee benefits	$ 270,259	136,738
Post-employment benefits	485	647
Share-based payment	-	14,844
	$ 270,744	**152,229**

8. Pledged assets:

The carrying values of pledged assets were as follows:

Asset name	Pledge or Mortgage underlying subject	December 31, 2020	December 31, 2019
Time deposits (recognized in other financial assets - non-current)	Guarantee for the lease contract with the Hsinchu Science Park Bureau	$ 11,113	7,900
Time deposits (recognized in other financial assets - non-current))	Government grant	-	698
Refundable deposits (recognized in other financial assets - non-current)	Court guarantee	19,620	-
		$ 30,733	8,598

9. Commitments and contingencies:

The significant contingencies liabilities and unrecognized contractual commitments were as follows:

(1) Significant unrecognized contractual commitments

A. The purchase amounts for future delivery from suppliers under the existing agreements and the negotiated agreement were as follows:

(Unit: currency in thousands)

	December 31, 2020	December 31, 2019
USD	$ 844,335	907,081

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 as US$ 615,982 thousand. The Company and Hemlock renegotiated in June 2019 to amend the important terms of the long-term procurement contract, pending agreement between the parties.

B. 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. 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:

(Unit: currency in thousands)

	December 31, 2020	December 31, 2019
USD	$ 19,692	29,852
EUR	$ 28,394	25,695
NTD	$ -	54,845

C. As of December 31, 2020 and 2019, the significant outstanding commitments for construction and purchase of property, plant and equipment amounted to $481,932 thousand and $894,902 thousand, respectively.

D. As of December 31, 2020 and 2019, the total amount of promissory notes deposited by the Company at the bank for acquiring bank financing were $12,015,760 thousand and $12,169,060 thousand, respectively.

E. As of December 31, 2020 and 2019, a guarantee letter for the Customs Administration and Research and Development which was the Group requested a bank to issue amounted $5,700 thousand and $10,000 thousand, respectively.

F. As of December 31 2020 and 2019, the Company's outstanding standby letter of credits were as follows:

(Unit: currency in thousands)

	December 31, 2020	December 31, 2019
USD	$ 7,006	7,006

(2) Contingent liabilities:

Hemlock filed summons and complaints against the Company and were delivered to the Company on May 12, 2015. Both parties reached an agreement in May 2016 then signed STIPULATION OF DISCONTINUANCE and SETTLEMENT AGREEMENT, where the Company needs to purchase certain amount of polysilicon from Hemlock and its related companies based on SETTLEMENT AGREEMENT. Also, two parties signed an additional agreement of Accommodation Letter to amend SETTLEMENT AGREEMENT and extend the date of litigation termination under STIPULATION OF DISCONTINUANCE against the Company until April 30, 2019, which Hemlock agreed in December 2020 to further extend the extension to March 31, 2021. In June 2019, both parties agreed to amend the important terms such as price and quantity of the original contract. The Company, in accordance with the terms of the proposed revised contract, recognized provision for onerous contract. As of December 31, 2020, the above-mentioned provision for onerous contract amounted to $3,922,815 thousand.

10. Losses Due to Major Disasters: None.

11. Subsequent Events: None.

12. Others:

A summary of the employee benefits, depreciation, and amortization expenses, by function were as follows:

By function / By item	For the years ended December 31, 2020			2019		
	Cost of goods sold	**Operating expenses**	**Total**	**Cost of goods sold**	**Operating expenses**	**Total**
Employee benefits						
Salary	482,956	465,764	948,720	512,497	286,210	798,707
Labor and health insurance	39,346	10,754	50,100	45,532	10,772	56,304
Pension	27,241	7,161	34,402	19,657	4,814	24,471
Director's emoluments	-	45,740	45,740	-	41,790	41,790
Other employee benefits expenses	28,296	3,870	32,166	34,640	3,462	38,102
Depreciation	430,585	55,619	486,204	451,978	39,354	491,332

As of December 31 2020 and 2019, additional information on the number of employees and employee benefit costs were as follows:

	2020	**2019**
The number of employees	**753**	**890**
The number of directors who are not holding as a position of employee	**9**	**9**
Average of employee benefits expense	**$ 1,432**	**1,042**
Average of salaries expense	**$ 1,275**	**907**
The average of salary adjustment rate	**41%**	
Remuneration of supervisors	**-**	**-**

The Company's salary and remuneration policy (including directors, managers and employees) are as follows:

(1) Remuneration to directors：

The director's remuneration is based on the Company's profitability of the year. The amount of allocation of remuneration to the independent directors is based on their degree of participation and contribution of the Company's operations.

Besides the salary, the company may also distribute this remuneration based on the profitability and the degree of participation and contribution of independent directors to the company's operations.

The standard of above-mentioned remuneration to directors (including independent directors) shall be proposed by the Remuneration Committee; thereafter, to be submitted to the board of directors for resolution.

(2) Remuneration to employees

According to the Company's salary policy and regulations, the remuneration is based on each employee's title, level, academic experience, professional ability, responsibilities, etc.

In accordance with the Company's "Employee salary and remuneration allocation regulations", when the Company have annual profits, the employee remuneration rewards will be allocated based on the employee's level, title and performance.

(3) Remuneration to managers

The Company evaluates its managers' remuneration with reference to the Taiwan market, the salary level of competitors in the same industry, the Company's salary policy and manager's title, level, academic experience, professional ability and responsibilities, to grant a reasonable basic salary to each manager. After presenting the results to the salary committee for discussion, the resolution will be submitted to the board of directors for approval.

In accordance with the Company's "Employee salary and remuneration allocation regulations", when the Company has annual profits, the remuneration rewards to managers will be allocated based on their level, title and performance.

Based on the overall performance, the chairman proposes to the Remuneration Committee the allocation of rewards based on each manager's contribution to the Company's entire operation results. The manager's remuneration will be reported to the Remuneration Committee for discussion and resolution; thereafter; to be submitted to the board of directors for approval.

13. Other disclosures:

(1) Information on significant transactions:

The followings were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties: Please refer to Table 1.

(ii) Guarantees and endorsements for other parties: Please refer to Table 2.

(iii) Securities held as of December 31, 2020 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.

(iv) 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 Table 4.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 5.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 6.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 7.

(ix) Trading in derivative instruments: Please refer to note 6(2).

(2) Information on investees: Please refer to Table 8.

(3) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products and other information: Please refer to Table 9(1).

(ii) Limitation on investment in Mainland China: Please refer to Table 9(2).

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in the “Information on significant transactions”.

(4) Major shareholders:

None of the shareholders hold more than 5% of outstanding shares.

14. Segment information:

Please refer to consolidated financial statements for the year ended December 31, 2020.

Sino-American Silicon Products Inc.
Loans to other parties
For the year ended December 31, 2020

Table 1 (In Thousands of New Taiwan Dollars)

Number	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, 3)	Maximum limit of fund financing (Note 2, 3)
													Item	Value		
0	Sino-American Silicon Products Inc.	Sulu	Receivable from related parties	Yes	1,662,375 (USD55,000)	1,566,400 (USD55,000)	284,800 (USD10,000)	1.00%	2	-	Operating capital	-	-	-	11,264,330	11,264,330
0	Sino-American Silicon Products Inc.	Sunrise PV World Co.	Receivable from related parties	Yes	500,000	-	-	2.50%	2	-	Operating capital	-	-	-	11,264,330	11,264,330
0	Sino-American Silicon Products Inc.	Sunrise PV Three	Receivable from related parties	Yes	300,000	100,000	50,000	2.50%	2	-	Operating capital	-	-	-	11,264,330	11,264,330
1	SSTI	Sulu	Receivable from related parties	Yes	320,650 (USD10,600)	313,280 (USD11,000)	313,280 (USD11,000)	1.00%	2	-	Operating capital	-	-	-	2,041,508	2,041,508
1	SSTI	AMLED	Receivable from related parties	Yes	336,925 (USD11,138)	322,109 (USD11,310)	322,109 (USD11,310)	1.00%	2	-	Operating capital	-	-	-	2,041,508	2,041,508
2	Aleo Solar	Sino-American Silicon Products Inc.	Receivable from related parties	Yes	192,610 (EUR5,500)	192,610 (EUR5,500)	192,610 (EUR5,500)	0.50%	2	-	Operating capital	-	-	-	460,160	460,160
3	SAS Sunrise Inc.	Sulu	Receivable from related parties	Yes	178,622 (USD6,200)	176,576 (USD6,200)	176,576 (USD6,200)	1.00%	2	-	Operating capital	-	-	-	658,676	658,676
4	GWJ	GlobalWafers	Receivable from related parties	Yes	1,162,560	1,160,460	-	0.56%	2	-	Operating capital	-	-	-	16,961,586	16,961,586
4	GWJ	GlobalWafers	Receivable from related parties	Yes	5,307,240	5,194,440	5,194,440	0.50%~0.56%	1	6,765,853	Business between two parties	-	-	-	6,765,853	16,961,586
4	GWJ	MEMC Japan	Receivable from related parties	Yes	282,300	276,300	-	0.59%	2	-	Operating capital	-	-	-	16,961,586	16,961,586
4	GWJ	GWBV	Receivable from related parties	Yes	1,400,500	-	-	0.55%	2	-	Operating capital	-	-	-	16,961,586	16,961,586

Number	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, 3)	Maximum limit of fund financing (Note 2, 3)
													Item	Value		
5	MEMC SpA	GWS	Receivable from related parties	Yes	2,736,240	2,731,560	2,134,460	3.444%	2	-	Operating capital	-	-	-	8,813,587	8,813,587
6	Taisil	GlobalWafers	Receivable from related parties	Yes	6,400,000	-	-	1.50%	2	-	Operating capital	-	-	-	7,091,890 (Note 2(3))	7,091,890 (Note 2(3))
7	GTI	MEMC LLC	Receivable from related parties	Yes	211,575	199,360	-	2.25%	2	-	Operating capital	-	-	-	8,994,074	8,994,074
8	GWS	GWBV	Receivable from related parties	Yes	3,025,000	2,848,000	2,848,000	1.2%	2	-	Operating capital	-	-	-	38,712,991	38,712,991
8	GWS	GlobalWafers	Receivable from related parties	Yes	10,890,000	10,252,800	7,182,111	1.2%	2	-	Operating capital	-	-	-	38,712,991	38,712,991
8	GWS	GlobalWafers Inc.	Receivable from related parties	Yes	3,288,175	-	-	2.50%	2	-	Operating capital	-	-	-	38,712,991	38,712,991

Note 1: The nature of financing purposes:
(1) Represents entities with business transaction with the Group.
(2) Represents where an inter-company or inter firm short term financing facility is necessary.

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 with the Company, the amount of financing shall not exceed the amount of business transaction for the current year. For the purpose of lending operating capital, the amount of financing offered to a single company and to an investee whose voting shares, directly or indirectly, owned by the Company shall not exceed 40 percent of the lender’s net worth.
(3) It’s 40 percent of Taisil’s latest audited net worth.

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; the fundlendings between the foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company, or from the foreign companies whose voting shares are 100% owned, directly or indirectly, by the Company to the Company are not subject to the previous provision of net worth and not subject to the oneyear limit of the term of funds in Article 4, Paragraph 1, but should still specify in its internal operating procedures for fund-lending limit and period.
(2) For GlobalWafers and its subsidiaries’ loan of funds to those having business transactions, The total amount available for financing purposes shall not exceed 40 percent of the lender’s net worth. The total amount available for financing to investees whose voting shares, directly or indirectly, owned by the Company shall not exceed 40 percent of the Company’s net worth.
(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 Sulu 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.

(5) For loan of funds of SSTI and SAS Sunrise Inc. to those having business transactions, the total loan is limited to 2 times of the company that lends loan; for the loan of funds to companies necessary for short-term financing, the total loan is limited to 2 times 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: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Sino-American Silicon Products Inc.

Guarantees and endorsements for other parties

For the year ended December 31, 2020

Table 2 (In Thousands of New Taiwan Dollars)

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 (Note 3, 7)	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 (Note 3, 7)	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.	Sulu	2	1,545,758 (Note 6)	1,391,500 (USD46,000) (Note 5)	1,310,080 (USD46,000) (Note 5)	1,080,816 (USD37,950) (Note 5)	-	4.65 %	1,545,758 (Note 6)	Y (Note 4)	N	N
0	Sino American Silicon Products Inc.	Sunrise PV World Co.	2	28,160,826	200,000	-	-	-	-	28,160,826	Y	N	N
0	Sino American Silicon Products Inc.	Sunrise PV World and its 100% owned subsidiaries	2	28,160,826	500,000	-	-	-	-	28,160,826	Y	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Four	2	28,160,826	170 (Note 8)	170 (Note 8)	170 (Note 8)	-	-	28,160,826	Y	N	N
0	Sino American Silicon Products Inc.	Sunrise PV Three	2	28,160,826	421 (Note 8)	421 (Note 8)	421 (Note 8)	-	-	28,160,826	Y	N	N
1	GlobalWafers	Topsil A/S.	2	132,464,700	117,775	115,250	34,575	-	0.26 %	132,464,700	N	N	N
1	GlobalWafers	GWS	2	132,464,700	1,815,000	-	-	-	-	132,464,700	N	N	N
1	GlobalWafers	GmbH	2	132,464,700	350,200	350,200	350,200	-	0.79 %	132,464,700	N	N	N
2	GTI	MEMC LLC	2	44,970,370	453,750	427,200	94,555	-	4.75 %	44,970,370	N	N	N

Note 1: The characters of guarantees and endorsements are coded as follows:

(1) The issuer is coded "0".

(2) The investee is coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relation between guarantor and guarantee and their endorsement should be disclosed as one of the following:

(1) Ordinary business relationship.

(2) Subsidiary which owned more than 50 percent by the guarantor.

(3) An investee owned more than 50 percent in total by both the guarantor and its subsidiary.

(4) An investee owned more than 90 percent by the guarantor or its subsidiary.

(5) Fulfillment of contractual obligations by providing mutual endorsements and guarantor for peer or joint builders in order to undertake a construction project.

(6) An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.

(7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for per construction homes pursuant to the Consumer Protection Act for each other.

Note 3: (1) 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.

(2) The Company made a guarantee payment for its import VAT amounting $5,700 thousand.

Note 4: 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 5: Sulu shares with the company a quota of USD 10,000 thousand and Sulu's individual quota is USD 36,000 thousand. 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 thousand and repay the bank loan on October 19, 2016. The actual disbursement amount was reduced to USD 37,950 thousand.

Note 6: The endorsements/guarantees quota for Sulu is calculated as US$ 46,211 thousand, the amount of sales at the time of endorsements/guarantees.

Note 7: 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, 3 time of the net worth of GlobalWafers.

(3) GlobalWafers's made a guarantee payment for its import VAT amounting $9,000 thousand.

(4) Taisil's made a guarantee payment for its import VAT amounting $5,000 thousand.

(5) The limit of the endorsement to the single company or other subsidiaries for GTI is five times of its net value.

Note 8: The Company became the guarantor after its short term merger with Sunrise PV World on January 31, 2020.

Sino-American Silicon Products Inc.

Securities held as of December 31, 2020 (excluding investment in subsidiaries, associates and joint ventures)

December 31, 2020

Table 3 (In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Note
				Shares/Units (thousand)	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 －current	280	277,895	-	277,895	
Sino American Silicon Products Inc.	Stock of Powertec Energy Corporation	None	Financial assets at fair value through other comprehensive income	30,410	-	2.14 %	-	
Sino American Silicon Products Inc.	Stock of Giga Epitaxy Technology Corp.	None	Financial assets at fair value through other comprehensive income	531	6,095	1.61 %	6,095	
Sino American Silicon Products Inc.	Stock of Big Sun	None	Financial assets at fair value through other comprehensive income	7,500	-	3.72 %	-	
SSTI	Stock of SILFAB SPA	None	Financial assets at fair value through other comprehensive income	300	377,060	15.00 %	377,060	
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－non-current	221	-	13.81 %	-	
Sino American Silicon Products Inc.	Stock of 21 Century Silicon Inc.	None	Financial assets at fair value through profit or loss－non-current	1,000	-	-	-	
SSTI	Stock of Clean Venture 21 Corporation	None	Financial assets at fair value through profit or loss－non-current	10	-	7.20 %	-	
GlobalWafers	CDIB Capital Growth Partners L.P.	None	Financial assets at fair value through profit or loss, mandatorily measured at fair value－non-current	-	117,204	3.85 %	117,204	
GlobalWafers	Siltronic AG	None	Financial assets at fair value through profit or loss－current	650	2,915,940	2.17 %	2,915,940	
GlobalWafers	WT Microelectronics Co., Ltd.	None	Financial asset at fair value through other comprehensive income	2,518	101,475	0.32 %	101,475	
GlobalWafers	Siltronic AG	None	Financial assets at fair value through profit or loss－current	600	2,688,372	2.00 %	2,688,372	

Sino-American Silicon Products Inc.
Individual securities acquired or disposed of with accumulated amounts exceeding the lower of than NT$300 million or 20% of the capital stock
For the year ended December 31, 2020

Table 4

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
Sino American Silicon Products Inc.	Advanced Wireless Semiconductor Company	Investments accounted for using equity method	-	None	-	-	45,000	3,496,500	-	-	-	-	45,000	3,508,513 (Note)
GWBV	Siltronic AG	Financial assets at fair value through profit or loss —current	-	None	-	1,876,656	-	2,688,372	-	2,103,746	1,865,576	238,169	-	2,699,452
GWBV	Siltronic AG	Financial assets at fair value through profit or loss —current	-	None	-	-	-	2,915,940	-	-	-	-	-	2,915,940

Note: Including the unrealized valuation gain or loss measured by Fair value and investment gain or loss under equity method.

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, 2020

Table 5 (In Thousands of New Taiwan Dollars)

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	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
MEMC Korea	Property, plant and equipment	October 5, 2018	2,038,080	To the progress of the project	Sungdo Eng. Company	Non-parties Company	-	-	-	-	Fair value	For operating purpose	None
MEMC Korea	Property, plant and equipment	September 2018	370,920	To the progress of the project	L.Keeley Construction	Non-parties Company	-	-	-	-	Fair value	For operating purpose	None
Sino American Silicon Products Inc.	Property, plant and equipment	December 12, 2019	860,000	860,000	Crystalwise Technology Inc.	parties Company	-	-	-	-	China real estate appraiser firm and Savills Taiwan real estate appraiser firm	For operating purpose	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, 2020

Table 6 (In Thousands of New Taiwan Dollars)

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	Note
Sino American Silicon Products Inc.	Sunrise PV One	Subsidiary of associates	Sale	(169,075)	3 %	Net 15 days from the end of the month upon issuance of invoice	-	-	588	-%	
Sino American Silicon Products Inc.	Cathay Sunrise Electric Power Two	Subsidiary of associates	Sale	(105,176)	2 %	Net 30 days from the end of the month upon issuance of invoice	-	-	75	-%	
Aleo Solar	Aleo Solar Italia	Indirectly held subsidiaries	Sale	(172,910)	11 %	Net 60 days from the end of the month upon issuance of invoice	-	-	66,896	22%	Note 2
GlobalWafers	Sino American Silicon Products Inc.	Indirectly held subsidiaries	Purchase	1,061,951	6 %	Net 30 days from the end of the next month upon issuance of invoice	-	-	(207,950)	(6)%	Note 2
GlobalWafers	GTI	Indirectly held subsidiaries	Purchase	1,839,483	10 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(279,220)	(7)%	Note 2
GlobalWafers	SST	Indirectly held subsidiaries	Purchase	1,784,471	10 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(312,837)	(8)%	Note 2
GlobalWafers	GWJ	Indirectly held subsidiaries	Purchase	6,762,615	36 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(1,921,983)	(50)%	Note 2
GlobalWafers	Taisil A/S	Indirectly held subsidiaries	Purchase	611,544	3 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(63,878)	(2)%	Note 2
GlobalWafers	GWS	Indirectly held subsidiaries	Purchase	476,050	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(38,330)	(1)%	Note 2
Taisil	GlobalWafers	Indirectly held subsidiaries	Purchase	135,729	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	-	-%	Note 1 and 2
GWS	GlobalWafers	Indirectly held subsidiaries	Purchase	5,988,654	26 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(968,132)	(20)%	Note 2
MEMC Korea	GlobalWafers	Indirectly held subsidiaries	Purchase	1,406,486	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(246,607)	(5)%	Note 2
MEMC SpA	GlobalWafers	Indirectly held subsidiaries	Purchase	686,585	3 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(162,153)	(3)%	Note 2
GTI	GlobalWafers	Indirectly held subsidiaries	Purchase	3,207,527	14 %	Net 45 days from the end of the month upon issuance of invoice	-	-	(341,702)	(7)%	Note 2

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
SST	GlobalWafers	Indirectly held subsidiaries	Purchase	1,021,817	5 %	Net 30 days from the end of the month upon issuance of invoice	-	-	(107,488)	(4)%	Note 2
GWJ	GlobalWafers	Indirectly held subsidiaries	Purchase	1,636,285	14 %	Net 60 to 90 days from the end of the month upon issuance of invoice	-	-	(424,512)	(9)%	Note 2
Actron Technology	GlobalWafers	Chairman of the parent company is also the Chairman of Sino American Silicon	Purchase	224,053	1 %	Net 60 days from the end of the next month upon issuance of invoice	-	-	(72,414)	(2)%	
MEMC Sdn Bhd	GlobalWafers	Indirectly held subsidiaries	Purchase	120,051	1 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(13,087)	-%	
Topsil A/S	GlobalWafers	Indirectly held subsidiaries	Purchase	405,559	2 %	Net 30 to 60 days from the end of the month upon issuance of invoice	-	-	(60,194)	(1)%	Note 2
GWS	MEMC LLC	Indirectly held subsidiaries	Purchase	1,187,475	6 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(68,481)	(2)%	Note 2
GWS	MEMC LLC	Indirectly held subsidiaries	Sale	(579,378)	(3) %	Net 60 days from the end of the month upon issuance of invoice	-	-	99,924	4%	Note 2
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Purchase	1,703,149	9 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(291,044)	(10)%	Note 2
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	Sale	(666,932)	(3) %	Net 60 days from the end of the month upon issuance of invoice	-	-	120,248	4%	Note 2
GWS	MEMC SpA	Indirectly held subsidiaries	Purchase	3,709,365	20 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(534,832)	(19)%	Note 2
GWS	MEMC SpA	Indirectly held subsidiaries	Sale	(3,427,302)	16 %	Net 60 days from the end of the month upon issuance of invoice	-	-	472,419	17%	Note 2
GWS	MEMC Korea	Indirectly held subsidiaries	Purchase	1,335,476	7 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(214,998)	(8)%	Note 2
GWS	MEMC Japan	Indirectly held subsidiaries	Purchase	4,271,761	23 %	Net 60 days from the end of the month upon issuance of invoice	-	-	(744,776)	(26)%	Note 2
GWS	MEMC Japan	Indirectly held subsidiaries	Sale	(1,506,205)	7 %	Net 60 days from the end of the month upon issuance of invoice	-	-	255,417	9%	Note 2
GWS	Taisil	Indirectly held subsidiaries	Purchase	553,661	- %	Net 60 days from the end of the month upon issuance of invoice	-	-	-	-%	Note 1 and 2

Note 1: After merging with Taisil, GlobalWafers became the existing company and Taisil became the dissolved entity on February 1, 2020.
Note 2: Transactions with standalone parties as mentioned above were eliminated when preparing the standalone 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, 2020

Table 7 (In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 3)	Allowance for bad debts
					Amount	Action taken		
Sino American Silicon Products Inc.	Sulu	Indirectly held subsidiaries	285,268	(Note 1)	-		-	-
Sino American Silicon Products Inc.	GlobalWafers	Directly held subsidiaries	207,950	4.95	-		211,969	-
SSTI	AMLED	Indirectly held subsidiaries	322,621	(Note 1)	-		-	-
SSTI	Sulu	Indirectly held subsidiaries	385,811	(Note 1)	-		-	-
Aleo Solar	Sino American Silicon Products Inc.	Indirectly held subsidiaries	192,944	(Note 1)	-		82,002	-
SAS Sunrise Inc	Sulu	Indirectly held subsidiaries	176,847	(Note 1)	-		-	-
GlobalWafers	GTI	Indirectly held subsidiaries	341,702	10.73	-		538,400	-
GlobalWafers	GWJ	Indirectly held subsidiaries	424,512	3.84	-		373,647	-
GlobalWafers	GWS	Indirectly held subsidiaries	968,132	5.48	-		1,016,041	-
GlobalWafers	MEMC Korea	Indirectly held subsidiaries	246,606	7.90	-		163,272	-
GlobalWafers	SST	Indirectly held subsidiaries	107,488	11.35	-		166,287	-
GlobalWafers	MEMC SpA	Indirectly held subsidiaries	162,153	4.55	-		170,777	-
GTI	GlobalWafers	Indirectly held subsidiaries	279,220	6.23	-		436,925	-
SST	GlobalWafers	Indirectly held subsidiaries	312,837	6.18	-		362,099	-
GWJ	GlobalWafers	Indirectly held subsidiaries	1,921,983	4.11	-		1,323,502	-
GWS	MEMC Sdn Bhd	Indirectly held subsidiaries	120,248	0.11	-		120,248	-
GWS	MEMC Japan	Indirectly held subsidiaries	255,417	0.11	-		255,417	-
GWS	MEMC SpA	Indirectly held subsidiaries	472,419	0.14	-		472,419	-
GWS	GlobalWafers	Indirectly held subsidiaries	38,330	(Note 1)	-		-	-
GWJ	GlobalWafers	Indirectly held subsidiaries	1,923,567	(Note 1)	-		-	-
MEMC Japan	GWS	Indirectly held subsidiaries	744,776	11.45	-		744,776	-
MEMC Sdn Bhd	GWS	Indirectly held subsidiaries	291,044	11.29	-		-	-
MEMC SpA	GWS	Indirectly held subsidiaries	534,832	0.14	-		531,629	-
MEMC SpA	GWS	Indirectly held subsidiaries	432,347	(Note 1)	-		-	-
MEMC Korea	GWS	Indirectly held subsidiaries	214,998	0.13	-		214,998	-

Note 1: Receivables from related party for financing purpose.
Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.
Note 3: The amount received in subsequent period as of March 10, 2021.

Sino-American Silicon Products Inc.
Information on investees
For the year ended December 31, 2020

Table 9 (In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares (thousand)	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 (USD45,255)	1,425,603 (USD45,255)	48,526	100.00 %	1,020,754	18,959	18,959	Subsidiary Note 5
Sino American Silicon Products Inc.	GlobalWafers	Taiwan	Semiconductor silicon wafer materials and components manufacturing and trade	8,955,952	8,955,952	222,727	51.17 %	22,593,298	13,103,614	6,705,118	Subsidiary
Sino American Silicon Products Inc.	Aleo Solar	Prenzlau	Solar module manufacturing and sale and wholesale of electronic materials	558,139 (EUR13,500)	558,139 (EUR13,500)	Note 1	100.00 %	460,160	56,372	56,372	Subsidiary Note 2
Sino American Silicon Products Inc.	SAS Sunrise Inc.	Cayman	Investment activities	794,373 (USD24,500)	794,373 (USD24,500)	24,500	100.00 %	329,338	(73,824)	(73,824)	Subsidiary
Sino American Silicon Products Inc.	Sunrise PV World Co.	Taiwan	Electricity activities	-	300,000	-	-	-	1,674	1,674	Subsidiary Note 4
Sino American Silicon Products Inc.	Sunrise PV five	Taiwan	Electricity activities	-	1,000	-	-	-	(143)	(11)	Subsidiary Note 4
Sino American Silicon Products Inc.	Sunrise PV Three	Taiwan	Electricity activities	15,000	-	1,500	100.00 %	16,184	900	900	Subsidiary
Sino American Silicon Products Inc.	SAS	Taiwan	Investment activities	250,000	-	25,000	100.00 %	249,972	(28)	(28)	Subsidiary
Sino American Silicon Products Inc.	Crystalwise Technology Inc.	Taiwan	Optical wafer and substrate manufacturing and trade	2,215,803	2,215,803	36,525	41.94 %	168,219	(133,395)	(83,080)	Associate Note 2
Sino American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar energy system provider	112,193	112,193	7,452	24.70 %	54,079	2,117	(10,856)	Associate
Sino American Silicon Products Inc.	Cathay Sunrise	Taiwan	Electricity activities	-	450,000	-	-	-	99,734	24,480	Note 8
Sino American Silicon Products Inc.	TSCS	Taiwan	Semiconductor special gas and chemical material manufacturer	990,000	990,000	90,000	30.93 %	779,104	(93,104)	(60,726)	Associate Note 2
Sino American Silicon Products Inc.	Actron Technology Corporation	Taiwan	Semiconductor electric wafer materials and components manufacturing and trade	1,609,325	1,147,715	19,499	21.31 %	1,446,720	176,875	56,032	Associate Note 2
Sino American Silicon Products Inc.	Advanced Wireless Semiconductor	Taiwan	Gallium arsenide wafer manufacturing and trade	3,496,500	-	45,000	22.53 %	3,508,513	622,863	12,013	Associate Note 2
Sunrise PV World Co.	Sunrise PV Three	Taiwan	Electricity activities	-	15,000	-	-	-	900	-	Subsidiary Note 4
Sunrise PV World Co.	Sunrise PV four	Taiwan	Electricity activities	-	15,000	-	-	-	562	-	Subsidiary Note 4
SAS Sunrise Inc.	SAS Sunrise Pte.Ltd.	Singapore	Investment activities	450,732 (USD13,000)	719,292 (USD22,000)	18,165	100.00 %	200,415	(28,389)	-	Subsidiary Note 7

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares (thousand)	Percentage of Ownership	Carrying value			
SAS Sunrise Inc.	Sulu	Philippines	Electricity activities	113,920 (USD4,000)	-	420,000	40.00 %	113,920	(91,124)	-	Subsidiary Note 7
SAS Sunrise Pte.Ltd.	AMLED	Philippines	Investment activities	-	-	-	-	-	-	-	Subsidiary Note 6 and 7
SAS Sunrise Pte.Ltd.	Sulu	Philippines	Electricity activities	-	440,667 (USD13,435)	-	-	-	(91,124)	-	Subsidiary Note 7
AMLED	Sulu	Philippines	Electricity activities	297,229 (USD9,065)	297,229 (USD9,065)	472,500	45.00 %	132,897	(91,124)	-	Subsidiary Note 7
Aleo Solar	Aleo Solar Italia	Italy	Solar module sale and wholesale of electronic materials	4,078 (EUR100)	4,078 (EUR100)	Note 1	100.00 %	1,016	(2,029)	-	Subsidiary Note 7
GlobalWafers	GWI	Cayman	Investment activities	1,427 (USD48)	2,241,668 (USD73,423)	0.01	100.00 %	1,823	22,123	-	Subsidiary Note 7
GlobalWafers	GSI	Cayman	Investment in various businesses and triangular trade centers with subsidiaries in Mainland China	756,809 (USD26,555)	756,809 (USD26,555)	25,000	100.00 %	1,836,042	339,834	-	Subsidiary Note 7
GlobalWafers	GWJ	Japan	Manufacturing and trading of silicon wafers	5,448,015	5,448,015	128	100.00 %	16,946,410	1,659,904	-	Subsidiary Note 7
GlobalWafers	GWafers Singapore	Singapore	Investment activities	17,378,877	11,966,930	541,674	100.00 %	37,084,288	6,659,202	-	Subsidiary Note 7
GlobalWafers	Topsil A/S	Denmark	Manufacturing and trading of silicon wafers and sale	-	1,964,069 (DKK 407,600)	-	-	-	-	-	Subsidiary Note 7
GlobalWafers	HONG WANG Investment Co., Ltd.	Taiwan	Investment activities	309,760	309,760	30,976	30.98 %	1,202,176	118,931	-	Associate Note 7
GlobalWafers	Taisil	Taiwan	Manufacturing and trading of silicon wafers and sale	-	14,504,663	-	-	-	257,071	-	Subsidiary Note 7
GlobalWafers	Sunrise PV four	Taiwan	Electricity activities	1,045,000	-	104,500	100.00 %	1,045,944	859	-	Subsidiary Note 4 and 7
GlobalWafers	Sunrise PV five	Taiwan	Electricity activities	122,000	-	12,200	100.00 %	121,846	(143)	-	Subsidiary Note 3 and 7
GlobalWafers	GWH	Taiwan	Investment activities	250,000	-	25,000	100.00 %	249,935	(65)	-	Subsidiary Note 3 and 7
GWJ	MEMC Japan	Japan	Manufacturing and trading of silicon wafers	373,413 (JPY100,000)	373,413 (JPY100,000)	750	100.00 %	3,141,245	239,045	-	Subsidiary Note 3 and 7
Topsil A/S	Topsil PL	Poland	Manufacturing and trading of silicon wafers investment activities	-	-	0.1	100.00 %	-	-	-	Subsidiary Note 3 and 7
GWafers Singapore	GWS	Singapore	Investment activities	14,671,320 (USD406,898)	14,671,320 (USD406,898)	299,445	100.00 %	43,778,025	6,739,840	-	Subsidiary Note 3 and 7
GWS	GWBV	Netherlands	Investment activities	11,213,730 (USD362,763)	6,413,892 (USD162,723)	0.1	100.00 %	40,071,015	4,465,267	-	Subsidiary Note 3 and 7
GWBV	MEMC SpA	Italy	Manufacturing and trading of silicon wafers	6,732,641 (USD204,788)	6,732,641 (USD204,788)	65,000	100.00 %	8,813,587	1,017,366	-	Subsidiary Note 3 and 7

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares (thousand)	Percentage of Ownership	Carrying value			
MEMC SpA	MEMC SarL	France	Trading	1,316 (USD40)	1,316 (USD40)	0.5	100.00 %	1,609	738	-	Subsidiary Note 3 and 7
MEMC SpA	MEMC GmbH	Germany	Trading	4,622 (USD141)	4,622 (USD141)	0.002	100.00 %	5,011	(17)	-	Subsidiary Note 3 and 7
GWBV	MEMC Korea	Korea	Manufacturing and trading of silicon wafers and sale	11,851,262 (USD384,605)	3,641,474 (USD110,763)	25,200	100.00 %	17,004,495	1,508,160	-	Subsidiary Note 3 and 7
GWBV	GTI	United States	Manufacturing and trading of epitaxial wafers and sale	2,779,849 (USD91,262)	2,779,849 (USD91,262)	1	100.00 %	10,216,706	350,282	-	Subsidiary Note 3 and 7
GWBV	MEMC Ipoh	Malaysia	Manufacturing and trading of silicon wafers and sale	93,907 (USD1,323)	93,907 (USD1,323)	612,300	100.00 %	3,556	(63)	-	Subsidiary Note 3 and 7
GWBV	Global Wafers GmbH	Germany	Trading	827 (USD27)	-	25	100.00 %	431	(428)	-	Subsidiary Note 3 and 7
GWBV	Topsil A/S	Denmark	Manufacturing and trading of silicon wafers and sale	1,843,604 (USD60,996)	-	1,000	100.00 %	1,980,829	120,147	-	Subsidiary Note 3 and7
GTI	MEMC LLC	United states	Manufacturing and trading of silicon wafers and sale	543,384 (USD17,839)	543,384 (USD17,839)	-	100.00 %	3,531,560	(171,320)	-	Subsidiary Note 3 and 7
SST	MEMC Sdn Bhd	Malaysia	Manufacturing and trading of silicon wafers and sale	898,016 (USD27,315)	-	1,036	100.00 %	818,374	58,956	-	Subsidiary Note 3 and 7

Note:1 A limited company.

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

Note 3: The investees are indirect subsidiaries of the Company. GWafers Singapore’s shares had been fully transferred to the Companyon January 2, 2020. Topsil A/S was transferred to GWBV; MEMC Sdn Bhd was transferred to SST. MEMC Korea had been transferred from GWBV and MEMC BV to GWBV, who held its entire shares. GWBV invested in GW GmbH, a company founded in February 2020. The Company merged with Taisil on February 1, 2020, with the Company being the surviving company and Taisil as the dissolved entity.

Note 4: Sunrise PV four was 100% owned by GlobalWafers from January, 2020. Sunrise PV five was100% owned by GlobalWafers from July, 2020. Sino American Silicon Products Inc merged with Sunrise PV World Co. on January 31, 2020, and Sunrise PV Three was transferred to the Company.

Note 5: Not including retained 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: The investor’s profits and losses included the profits and losses of the investees; therefore, the investee’s profits and losses need not be disclosed.

Note8: The Company handled the transfer and delivery of Cathay on October 23, 2020.

Note9: SULU was 40% owned by SAS Sunrise Inc from December, 2020.

Note 10: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Sino-American Silicon Products Inc.

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

For the year ended December 31, 2020

Table 10 (In Thousands of New Taiwan Dollars)

(1) 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, 2019	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
SST	Processing and trading of ingots and wafers	769,177 (Note 7)	Note 1	713,300 (USD21,729))	-	-	713,300 (USD21,729)	342,602	100%	342,602	1,769,686	-
SunEdison Shanghai	Trading business	7,527 (RMB1,500)	Note 2	-	-	-	-	(7,312)	-%	(7,312)	(Note 8)	-
GF	Sale and marketing	9,756 (RMB2,000)	Note 3	-	-	-	-	-	-%	-	(Note 9)	-

(2) Limitation on investment in Mainland China

Company Name	Accumulated Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
GlobalWafers	713,300 (USD21,729)	818,233 (USD25,000) (Note 5)	26,492,940 (Note 6)

Note 1: Investments through GSI.
Note 2: Investments through GWBV which is acquired from the acquisition of GWS (SSL).
Note 3: SST invested in GF in Mainland China. No upper limit on investment was calculated due to having without any actual cash outflows from Taiwan.
Note 4: The basis for investment income (loss) recognition is from the audited financial statements.
Note 5: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the Historical Foreign Exchange Rate.
Note 6: Pursuant to the ’Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area’ dated on August 29, 2008, the total amount of investment shall not exceed 60% of the Group’s net worth on December 31, 2020.
Note 7: Retained earnings transferred to capital was included.
Note 8: SunEdison Shanghai was dissolved in July 2020.
Note 9: GrowFast Shanghai had been dissolved in November 2020.

Sino-American Silicon Products Inc.

List of cash and cash equivalents

December 31, 2020

(Expressed in thousands of New Taiwan Dollars; in dollar of foreign currencies)

Items	Summary	Amount
Cash	Petty cash and cash on hand	$ 180
Bank deposits	Check deposits	4,085
	Demand deposits	135,166
	Foreign currency deposit (USD: 8,291,867.99; CHF: 5,840.74; JPY: 1,239,968; EUR: 4,223,580.76; RMB: 352,930.40)	386,138
	Subtotal	525,389
	Reverse repurchase agreement (USD:9,000,000)	256,320
	Total	**$ 781,889**

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

USD exchange rate: 28.48

CHF exchange rate: 32.31

JPY exchange rate: 0.28

EUR exchange rate: 35.02

RMB exchange rate: 4.38

Sino-American Silicon Products Inc.

Statement of Notes and Accounts Receivable

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Customer Name	Amount
Company D	$ 144,691
Company E	53,563
Company F	44,234
Others (individual amount does not exceed 5%)	21,549
	264,037
Less: Allowance for bad debt	(6)
	$ 264,031

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 7 to the parent-company-only financial statements for details.

Sino-American Silicon Products Inc.

Statement of inventories

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Items	Amount: Costs	Amount: Net realizable value	Remark
Finished goods and products	$ 131,816	127,764	Please refer to note 4 (7) to the parent-company-only
Work in progress	36,248	46,904	financial statements
Raw materials	302,908	301,833	for the
Supplies	26,007	15,631	reference of net realizable
Subtotal	496,979	**492,132**	value of inventory.
Less: Allowance for valuation loss	(40,531)		
Total	**$ 456,448**		

Statement of other current assets

Items	Amount
Contract assets	$ 84,596
Income tax refund receivable	16,931
Others (individual amount does not exceed 5%)	9,835
Total	**$ 111,362**

Sino-American Silicon Products Inc.

Statement of changes in financial assets measured at fair value through other comprehensive income－Non-current

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars; in thousands of shares)

Name	Beginning balance		Increase (decrease) for the period		Reclassified		Gain or loss on evaluation	End of the period		Accumulated impairment loss	Guarantee or collateral provided	Remarks
	Shares	Fair value	Shares	Amount	Shares	Amount	Amount	Shares	Fair value			
Giga Electronic Technology Corp.	531	$ 6,095	-	-	-	-	-	531	6,095	Not applicable	None	
Powertech Energy Corp.	30,410	-	-	-	-	-	-	30,410	-	Not applicable	None	
Bigsun Technology Corporation	7,500	-	-	-	-	-	-	7,500	-	Not applicable	None	
Total		$ 6,095		-	-	-	-		6,095			

Sino-American Silicon Products Inc.

Statement of changes in Financial assets measured at amortized cost－non-current

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Name	Beginning balance		Decrease of the year		Gain or loss on evaluation	End of the period		Accumulated impairment loss	Guarantee or collateral provided	Remarks
	Number of bond units	Carrying Amount	Number of bond units	Amount	Amount	Number of bond units	Carrying Amount			
Crystalwise Technology -Corporate bonds	530	$ 507,680	(250)	(252,304)	(22,519)	280	277,895	3,454	None	

Sino-American Silicon Products Inc.

Statement of changes in investments under equity method

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars; in thousands of shares)

Investee company name	Beginning balance		Increase (decrease) for the period		Net change in net equity value of subsidiaries and related enterprises recognized by equity method (Note 3)	Investment profits and losses	Exchange differences on translation of foreign financial statements	Remeasurement of defined benefit plan of subsidiaries	Other adjustment items (Note 4)	Ending balance			Market price or net equity value		Guarantee or collateral provided
	Shares	Amount	Shares	Amount						Shares	Amount	Shareholding ratio (%)	Unit price	Total price	
Subsidiary:															
SSTI	48,526	$ 971,888	-	-	-	18,959	(52,231)	-	82,138	48,526	1,020,754	100.00	-	1,020,754	None
GlobalWafers	222,727	23,060,434	-	(7,349,861)(Note 1)	-	6,705,118	(31,065)	(107,470)	316,142	222,727	22,593,298	51.17	708.00	157,690,716	None
Aleo Solar	-	385,238	-	-	-	56,372	18,550	-	-	-	460,160	100.00	-	460,160	None
Sunrise PV World Co.	30,000	276,330	(30,000)	(278,004)(Note 2)	-	1,674	-	-	-	-	-	-	-	-	None
SAS Sunrise Inc.	24,500	461,117	-	-	-	(73,824)	(57,955)	-	-	24,500	329,338	100.00	-	329,338	None
Sunrise PV Five	100	989	(100)	(978)	-	(11)	-	-	-	-	-	-	-	-	None
Sunrise PV Three	-	-	1,500	15,284 (Note 2)	-	900	-	-	-	1,500	16,184	100.00	-	16,184	None
SASH	-	-	25,000	250,000 (Note 1)	-	(28)	-	-	-	25,000	249,972	100.00	-	249,972	None
	-	25,155,996		(7,363,559)	-	6,709,160	(122,701)	(107,470)	398,280		24,669,706			159,767,124	None
Affiliated enterprises:															
Crystalwise Technology Inc.	86,923	280,554	(50,398)	-	1,886	(83,080)	2,265	-	(33,406)	36,525	168,219	41.93	34.00	1,241,850	None
Cathay Sunrise	45,000	459,333	(45,000)	(483,813)(Note 1)	-	24,480	-	-	-	-	-	-	-	-	None
Accu Solar Corporation	7,452	64,935	-	-	-	(10,856)	-	-	-	7,452	54,079	24.70	-	54,079	None
TSCS	90,000	839,830	-	-	-	(60,726)	-	-	-	90,000	779,104	30.93	-	779,104	None
Actron Technology Inc.	14,185	1,031,956	5,314	382,494 (Note1)	(177,984)	56,032	1,415	-	152,807	19,499	1,446,720	21.31	119.0	2,320,381	None
Advanced Wireless Semiconductor company.	-	-	45,000	3,496,500	-	12,013	-	-	-	45,000	3,508,513	22.53	135.0	4,860,000	None
		2,676,608		3,395,181	(176,098)	(62,137)	3,680	-	119,401		5,956,635			9,255,414	
Unrealized gain from affiliate accounts		(38,358)		114	-	-	-	-	-		(38,244)				
Total		$ 27,794,246		(3,968,264)	(176,098)	6,647,023	(119,021)	(107,470)	517,681		30,588,097				

Note 1: Due to cash dividends of $7,349,861 thousand from GlobalWafers, cash dividends of $2,020 thousand from Cathay Sunrise, the increase of investment of $250,000 thousand in SASH, the increase of investment of $3,958,110 thousand for the affiliate companies, and cash dividend of $79,116 thousand from Actron Technology.

Note 2: Sino-American Silicon Products Inc. merged with Sunrise PV World Co. on January 31, 2020, and Sunrise PV Three was transferred to the Company due to Sunrise PV World Co. was dissolved.

Note 3: Included the adjustments to capital surplus due to non-proportional investment in investee's increase in capital.

Note 4: Included unrealized gain or loss of the financial assets held by subsidiaries and affiliated associates, and the employees unvested stock awards, etc.

Sino-American Silicon Products Inc.

Statement of changes in property, plant and equipment

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6 (9) for relevant information of property, plant and equipment.

Statement of changes in right for use assets

Please refer to note 6 (10) for relevant information of right for use assets.

Statement of other non-current assets

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Deferred Income tax assets－non-current	$ 82,035
Others (individual amount does not exceed 5%)	3,095
	$ 85,130

Sino-American Silicon Products Inc.

Statement of short-term borrowings

December 31, 2020

(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
Taipei Fubon Bank	Working capital	$ 900,000	Note 1	0.56%	550,000	None

Note 1: The loan period is based on the actual practice and it is usually repaid in one month. The operation turnover period is for one year.
Note 2: In addition to the above booked, the Company still has unused credit lines amounted to $9,204,747 thousand.

Statement of Accounts payable

Names of suppliers	Amount
Supplier C	$ 221,050
Supplier A	59,808
Supplier D	26,155
Others (individual amount does not exceed 5%)	211,804
Total	$ 518,817

Note: 1. Accounts payable are resulting from business activities.
2. Accounts payable－related parties were not included in the above accounts. Please refer to note 7 to the parent-company-only financial statements for details.

Sino-American Silicon Products Inc.

Statement of lease liabilities

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Rental term	Discount rate	Ending balance	Remark
Building	Warehouse	2015/7/1~2025/6/30	1.11%	$ 99,502	
Land	Science park	2020/5/26~2039/12/31	1.76%	51,870	
Land	Science park	2020/4/1~2027/12/31	1.11%	28,164	
Office and other equipment	Cars	2019/3/11~2022/3/10	1.11%	993	
Office and other equipment	Cars	2020/5/14~2023/5/13	1.76%	431	
Office and other equipment	Cars	2020/6/1~2022/10/27	1.76%	350	
Office and other equipment	Cars	2019/1/1~2021/12/27	1.11%	404	
				181,714	
Less: lease liabilities－current				(29,530)	
Total				$ **152,184**	

Statement of contract liabilities

Customer Name	Amount
Company H	$ 880,894
Company G	180,256
Others (individual amount does not exceed 5%)	114,703
	1,175,853
Less: contract liability-current	(131,785)
Total	$ **1,044,068**

Sino-American Silicon Products Inc.

Statement of other current liabilities

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Items	Summary	Amount
Accrued remuneration of directors		$ 45,740
Lease liabilities-current		29,530
Others (individual amount does not exceed 5%)	Equipment payable, other payables, and interest payable	259,879
		$ 335,149

Statement of other liabilities－non-current

Items	Summary	Amount
Lease liabilities－non-current		$ 152,184
Others (individual amount does not exceed 5%)		2,446
Total		**$ 154,630**

Sino-American Silicon Products Inc.

Operating revenues statement

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Items	Sales volume	Amount
Sales revenue:		
Solar cells	94,553 thousand/pcs	$ 1,937,190
Solar ingot	288 thousand/kg	928,837
Solar module	6 thousand/pcs	19,446
Solar wafer	24,482 thousand/pcs	170,789
Revenues from sale of goods and raw materials		1,848,982
Subtotal		4,905,244
Processing revenue		49
Electricity Revenue and others		525,053
Net operating revenues		**$ 5,430,346**

Sino-American Silicon Products Inc.

Statement of operating costs

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Beginning inventory - Finished goods	$ 5,111
Add: purchase in this period	2,051,497
acquisition	4,293
Less: Inventories at the end of the period	13,627
Realized sale gain from inter-affiliate accounts	10,431
Transfer of expenses	105,569
Cost of goods purchased and sold	1,931,274
Raw material consumption	
Beginning raw materials	142,349
Add: Material purchased in this period	1,871,880
Transfer of property, plant and equipment	24,176
Less: Ending raw materials	328,915
Realized sale gain from inter-affiliate accounts	1,445
Reclassified as expenses	398,340
Sale in this period	277,725
Consumption of raw materials in this period	1,031,980
Direct labor	242,042
Manufacturing expenses	1,229,833
Manufacturing cost	2,503,855
Add: Beginning WIP goods	39,051
Transfer in of finished goods	588,557
Less: Ending WIP goods	36,248
Costs of finished goods	3,095,215
Add: Beginning finished goods	221,434
Less: Finished goods at end of period	118,189
Other	15,289
Transfer out of finished goods	588,557
Cost of finished goods sold	2,594,614
Cost of goods sold	4,525,888
Add: Cost of raw materials sold	277,725
Unamortized fixed manufacturing expense	255,254
The impairment loss of property, plant and equipment	431,196
The impairment loss of prepaid purchase	12,868
Other operating costs	411,218
Realized loss and offset from sales to affiliated companies	4,081
Recognition reversal of provisions for inventory valuation loss	31,954
Recognition reversal of provision loss	630,055
Total operating costs	**$ 5,248,059**

Sino-American Silicon Products Inc.

Statement of operating expense

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Items	Selling expenses	Administrative expenses	Research and development expenses
Salary expenses	$ 52,038	351,263	62,463
Import/export expenses	3,423	-	-
Directors remuneration	-	45,740	-
Depreciation	-	39,623	9,240
Indirect material expense	-	-	5,473
Others (summary of individual amount not exceeding 5%)	16,731	63,681	24,781
Total	**$ 72,192**	**500,307**	**101,957**

Statement of Interest Income

Please refer to note 6 (22) of the parent-company-only financial statements for relevant information of interest income.

Sino-American Silicon Products Inc.

Statement of other gains and losses, net

For the year ended December 31, 2020

Please refer to note 6 (23) of the parent-company-only financial statements for relevant information of other gains and losses, net.

Statement of finance costs

Please refer to note 6 (24) of the parent-company-only 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 parent-company-only financial statements for relevant information of employee benefits, depreciation, and amortization expenses.