Stock Code:5483

Sino-American Silicon Products Inc. and Subsidiaries

Consolidated Financial Statements

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

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The independent auditors' report and the accompanying consolidated 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 consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the combined financial statements of Sino-American Silicon Products Inc. as of and for the year ended December 31, 2020 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements", as endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements are included in the consolidated financial statements. Consequently, Sino-American Silicon Products Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Sino-American Silicon Products Inc.
Chairman: Doris Hsu
Date: March 18, 2021

Independent Auditors' Report

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

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC"), and the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this audit report are as follows:

1. Revenue recognition

   Please refer to note 4(15) "Revenue recognition" for accounting policy and note 6(22) "Revenue from contracts with customers" of the consolidated financial statements for further information.

Description of key audit matter:

The Group's semiconductor segment revenues are derived from the sales of semiconductor materials and components. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. In consideration of the high volume of sales transactions generated from world-wide operations, revenue recognition is one of the key areas our audit focused on.

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 understanding of revenue recognition policies and assessing whether revenue recognition policies are appropriate based on sales terms and revenue recognition criteria; understanding the design and process of implementation of internal controls and testing operating effectiveness; testing selected sales samples and agreeing to customer orders, delivery note and related documentation supporting sales recognition; testing sales cut-off, on a sample basis, for transactions incurred within a certain period before or after the balance sheet date by reviewing related sales terms, inspecting delivery documents, and other related supporting document to evaluate whether the revenue was recorded in proper period.

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

Please refer to note 4(13) "Impairment of non-financial assets" for accounting policy; note 5(1) " Significant accounting assumptions and judgment, and major sources of estimation uncertainty" for property, plant and equipment impairment assessment, and note 6(10) "Property, plant and equipment" and 6(11) "Right of use assents for further details".

Description of key audit matter:

The industry in which the solar power business unit of the Group is located 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 units. 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 years 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 assessed whether the Group has properly disclosed the policy of long-term non-financial asset impairment and other related information.

3.Goodwill impairment assessment

Please refer to the note 4(13) "Impairment of non-financial assets" for accounting policy, note 5(2) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" for impairment assessment, and note 6(12) "Intangible assets" for further details.

Description of key audit matter:

The Group is in a capital intensive industry, with goodwill arising from business combinations. Moreover, the Group operates in an industry in which the operations are easily influenced by various external factors, such as market conditions and governmental policies. Therefore, the assessment of impairment of goodwill is necessary. The assessment procedures, including identification of cash-generating units, valuation models, selection of key assumptions and calculations of recoverable cash inflows, depend on the management's subjective judgments, which contained uncertainty in accounting estimations. Consequently, this is one of the key areas in our audit.

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 triggering events identified by management for impairment indicators existing in a cash-generating unit, assessing whether the assumptions used for evaluating the recoverable amount are reasonable; evaluating the achievement of prior year financial forecasts; inspecting the calculations of recoverable amounts; assessing the assumptions used for calculating recoverable amounts and cash flow projections; performing sensitivity analysis based on key factors; assessing whether the accounting policies for goodwill impairment and other relevant information have been appropriately disclosed.

Other Matter

Sino-American Silicon Products Inc. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated financial statements. We are responsible for the direction, supervision and performance of Group 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 2020 consolidated 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 consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated 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 consolidated financial statements, the Chinese version shall prevail.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc. and subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Assets				
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 23,812,590	22	34,901,425	32
1110	Financial assets at fair value through profit or loss－current (note 6(2))	5,656,668	5	1,883,576	2
1136	Financial assets measured at amortized cost－current (notes 6(4) and 7)	277,895	-	240,068	-
1170	Notes and accounts receivable, net (note 6(5))	8,332,156	8	8,434,249	7
1180	Accounts receivable due from related parties, net (note 7)	75,253	-	72,965	-
130X	Inventories (note 6(6))	7,928,638	7	7,398,293	7
1476	Other financial assets－current (notes 8 and 9)	5,588,505	5	913,823	1
1479	Other current assets	1,019,319	1	1,321,234	1
	Total current assets	52,691,024	48	55,165,633	50
	Non-current assets:				
1513	Financial assets at fair value through profit or loss－non-current (note 6(2))	117,204	-	95,163	-
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(3))	484,630	-	332,185	-
1535	Financial assets at amortized cost－non-current (notes 6(4) and 7)	-	-	267,612	-
1550	Investments accounted for using equity method (note 6(7))	7,158,811	6	3,248,537	3
1600	Property, plant and equipment (notes 6(10) and 8)	42,455,037	39	40,276,715	37
1755	Right-of-use assets (note 6(11))	832,865	1	913,609	1
1780	Intangible assets (note 6(12))	2,797,463	3	3,227,583	3
1840	Deferred tax assets (note 6(18))	2,312,821	2	1,927,636	2
1980	Other financial assets－non-current (note 8)	306,137	-	3,140,806	3
1990	Other non-current assets (note 8)	796,789	1	788,017	1
	Total non-current assets	57,261,757	52	54,217,863	50
	Total assets	$ 109,952,781	100	109,383,496	100

		December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Liabilities and Equity				
	Current liabilities:				
2100	Short-term borrowings (notes 6(13) and 8)	$ 10,771,000	10	11,465,075	11
2120	Financial liabilities at fair value through profit or loss－current (note 6(2))	45,953	-	216,700	-
2130	Contract liabilities－current (notes 6(22) 7, and 9)	3,763,986	3	4,128,893	4
2170	Notes and accounts payable	4,182,542	4	4,171,687	4
2180	Accounts payable to related parties (note 7)	21,852	-	8,008	-
2201	Payroll and bonus payable	3,183,647	3	2,851,934	3
2250	Provisions-current (notes 6(16) and 9)	243,646	-	232,256	-
2230	Current tax liabilities	2,092,828	2	2,692,745	2
2216	Dividends payable	3,751,986	3	-	-
2322	Long-term borrowings, current portion (notes 6(14) and 8)	32,752	-	-	-
2399	Other current liabilities (notes 6(15) and 7)	4,466,937	3	4,393,096	4
		32,557,129	28	30,160,394	28
	Non-Current liabilities:				
2527	Contract liabilities－non-current (notes 6(22), 7 and 9)	14,132,126	13	17,280,344	16
2540	Long-term borrowings (notes 6(14) and 8)	1,048,064	1	-	-
2550	Provisions－non-current(notes 6(16) and 9)	4,041,851	4	4,674,648	4
2570	Deferred tax liabilities (note 6(18))	4,974,407	5	4,813,876	4
2600	Other non-current liabilities (note 6(15))	1,045,615	1	887,803	1
2640	Net defined benefit liabilities (note 6(17))	2,484,107	2	2,950,390	3
		27,726,170	26	30,607,061	28
	Total liabilities	60,283,299	54	60,767,455	56
	Equity (notes 6(19) and (20)):				
3110	Ordinary shares	5,862,217	5	5,862,367	5
3170	Share capital awaiting retirement	-	-	(150)	-
		5,862,217	5	5,862,217	5
3200	Capital surplus	19,481,234	18	21,072,595	19
	Retained earnings:				
3310	Legal reserve	721,476	1	462,354	-
3320	Special reserve	1,330,419	1	513,302	1
3350	Unappropriated retained earnings	4,161,346	4	2,591,235	2
		6,213,241	6	3,566,891	3
3400	Other equity interest	(3,395,866)	(3)	(3,831,462)	(3)
	Total equity attributable to shareholders of the Company	28,160,826	26	26,670,241	24
36XX	Non-controlling interests (note 6(8))	21,508,656	20	21,945,800	20
	Total equity	49,669,482	46	48,616,041	44
	Total liabilities and equity	$ 109,952,781	100	109,383,496	100

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc. and subsidiaries

Consolidated 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(22) and 7)	$ 61,397,299	100	65,510,225	100
5000	**Operating costs** (notes 6(6), (15), (17), (23) and 7)	40,283,700	66	46,242,686	71
	Gross profit from operations	21,113,599	34	19,267,539	29
	Operating expenses (notes 6(15), (17), (23) and 7):				
6100	Selling expenses	1,431,684	2	1,396,627	2
6200	Administrative expenses	3,020,051	5	2,513,345	4
6300	Research and development expenses	1,742,108	3	1,844,789	3
6450	Expected credit losses (reversal gains) (note 6(5))	(12,341)	-	(2,643)	-
	Total operating expenses	6,181,502	10	5,752,118	9
	Net operating income	14,932,097	24	13,515,421	20
	Non-operating income and expenses:				
7100	Interest income (notes 6(24) and 7)	259,875	-	757,732	2
7020	Other gains and losses (note 6(25))	1,177,485	2	145,853	-
7050	Finance costs	(105,939)	-	(150,407)	-
7060	Share of profit (loss) of associates accounted for using equity method (note 6(7))	(25,328)	-	(344,430)	(1)
		1,306,093	2	408,748	1
	Income before income tax	16,238,190	26	13,924,169	21
7950	Less: Income tax expense (note 6(18))	3,527,128	5	5,028,824	7
	Net income	12,711,062	21	8,895,345	14
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(17))	(254,213)	-	179,386	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	88,257	-	5,450	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(18))	(38,521)	-	120,951	-
		(127,435)	-	63,885	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	(139,362)	-	(1,535,230)	(2)
8370	Share of other comprehensive income of associates accounted for using equity method (note 6(26))	731,896	1	269,600	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(18))	(33,505)	-	(305,271)	-
		626,039	1	(960,359)	(2)
8300	**Other comprehensive income (after tax)**	498,604	1	(896,474)	(2)
	Total comprehensive income	**$ 13,209,666**	**22**	**7,998,871**	**12**
	Net income attributable to:				
	Shareholders of Sino-American Silicon Products Inc.	$ 6,326,235	11	2,248,386	4
	Non-controlling interests	6,384,827	10	6,646,959	10
		$ 12,711,062	**21**	**8,895,345**	**14**
	Total comprehensive income attributable to:				
	Shareholders of Sino-American Silicon Products Inc.	$ 6,627,194	11	1,774,007	3
	Non-controlling interests	6,582,472	11	6,224,864	9
		$ 13,209,666	**22**	**7,998,871**	**12**
	Earnings per share (NT dollars) (note 6(21))				
	Basic earnings per share	**$**	**10.82**		**3.86**
	Diluted earnings per share	**$**	**10.71**		**3.83**

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc. and subsidiaries

Consolidated 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	Non-controlling interests	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	21,032,149	47,913,865
Net income for the year	-	-	-	-	-	2,248,386	2,248,386	-	-	-	-	-	2,248,386	6,646,959	8,895,345
Other comprehensive income for the year	-	-	-	-	-	29,819	29,819	(638,103)	133,905	-	-	(504,198)	(474,379)	(422,095)	(896,474)
Comprehensive income for the year	-	-	-	-	-	2,278,205	2,278,205	(638,103)	133,905	-	-	(504,198)	1,774,007	6,224,864	7,998,871
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)	-	(1,356,963)
Cash dividends distribution from capital surplus	-	-	(401,900)	-	-	-	-	-	-	-	-	-	(401,900)	-	(401,900)
Changes in equity of associates accounted for using equity method	-	-	(279,229)	-	-	-	-	-	-	-	112	112	(279,117)	1,984	(277,133)
Changes in non-controlling interests	-	-	(21)	-	-	-	-	-	-	-	-	-	(21)	(447)	(468)
Due to donated assets received	-	-	228	-	-	-	-	-	-	-	-	-	228	-	228
Compensation cost of issued restricted stock awards	-	-	(3,115)	-	-	-	-	-	-	56,726	-	56,726	53,611	-	53,611
Share retirement and awaiting retirement due to expiration of restricted stock awards	(840)	180	(660)	-	-	-	-	-	-	-	-	-	(1,320)	-	(1,320)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	313,015	313,015	-	(313,015)	-	-	(313,015)	-	-	-
Cash dividends from subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,312,750)	(5,312,750)
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	21,945,800	48,616,041
Net income for the year	-	-	-	-	-	6,326,235	6,326,235	-	-	-	-	-	6,326,235	6,384,827	12,711,062
Other comprehensive income for the year	-	-	-	-	-	(113,136)	(113,136)	(100,694)	514,789	-	-	414,095	300,959	197,645	498,604
Comprehensive income for the year	-	-	-	-	-	6,213,099	6,213,099	(100,694)	514,789	-	-	414,095	6,627,194	6,582,472	13,209,666
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)	-	(3,566,749)
Cash dividends from capital surplus	-	-	(1,416,136)	-	-	-	-	-	-	-	-	-	(1,416,136)	-	(1,416,136)
Changes in equity of associates accounted for using equity method	-	-	(176,098)	-	-	-	-	-	-	-	2,893	2,893	(173,205)	-	(173,205)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,252)	(6,252)
Due to donated assets received	-	-	873	-	-	-	-	-	-	-	-	-	873	-	873
Compensation cost of issued restricted stock awards	-	-	-	-	-	-	-	-	-	18,608	-	18,608	18,608	-	18,608
Share retirement and awaiting retirement due to expiration of restricted stock awards	(150)	150	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends from subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,013,364)	(7,013,364)
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**	**21,508,656**	**49,669,482**

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc. and subsidiaries

Consolidated 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	$	16,238,190	13,924,169
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expenses		5,791,202	5,030,426
Amortization expenses		356,495	364,830
Expected credit loss (reversal gains)		(12,341)	(2,643)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss		(457,709)	286,287
Interest expenses		105,939	150,407
Interest income		(259,875)	(757,732)
Dividend income		(13,216)	(9,477)
Share-based compensation cost		18,608	53,611
Shares of loss of associates accounted for using equity method		25,328	344,430
Losses on disposal of property, plant and equipment		1,126	23,276
Gains on disposal of investments		(34,165)	(72,584)
Losses on disposal of intangible assets		-	1,141
Recognition (reversal) of impairment losses on financial assets		(22,519)	25,973
Recognition (reversal) of write-down of inventory		79,390	(109,158)
Recognition (reversal) of impairment losses on non-financial assets		444,064	(8,779)
Recognition (reversal) of losses on liability provision		(632,014)	3,883,063
Total adjustments		5,390,313	9,203,071
Changes in operating assets and liabilities:			
Notes and accounts receivable (including related parties)		112,146	1,374,487
Inventories		(609,735)	592,232
Prepayments		59,349	4,248
Other financial assets		(20,104)	70,638
Other operating assets		257,359	(325,743)
Notes and accounts payable (including related parties)		24,699	(1,055,681)
Contract liabilities		(3,513,125)	(2,037,234)
Net defined benefit liabilities		(173,424)	(3,293)
Other operating liabilities		(146,809)	(229,612)
Total changes in operating assets and liabilities		(4,009,644)	(1,609,958)
Total adjustments		1,380,669	7,593,113
Cash inflow generated from operations		17,618,859	21,517,282
Interest received		258,838	782,061
Dividends received		13,216	9,477
Interest paid		(106,332)	(159,532)
Income taxes paid		(3,203,771)	(3,318,168)
Net cash flows generated from operating activities		14,580,810	18,831,120

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc. and subsidiaries

Consolidated 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	(95,357)	(197,610)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	553,385
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	12,561	28,239
Acquisition of financial assets at amortized cost	-	(250,000)
Proceeds from disposal of financial assets at amortized cost	250,000	-
Acquisition of financial assets at fair value through profit or loss	(5,611,917)	(1,907,850)
Proceeds from disposal of financial assets at fair value through profit or loss	2,103,746	194,245
Acquisition of investments accounted for using equity method	(3,958,110)	(1,132,310)
Proceeds from disposal of investments accounted for using equity method	516,948	-
Cash dividends from investment accounted for using equity method	99,406	55,068
Net cash inflow from disposal of subsidiaries	-	166,668
Acquisition of property, plant and equipment	(9,168,800)	(7,719,440)
Proceeds from disposal of property, plant and equipment	105,647	105,349
Acquisition of intangible assets	(3,631)	-
Increase in other financial assets	(1,816,568)	(3,067,397)
Net cash flows used in investing activities	(17,566,075)	(13,171,653)
Cash flows from financing activities:		
Increase in short-term loans	676,375	2,163,041
Repayments of long-term borrowings	(237,741)	(2,040,200)
Decrease in guarantee deposits	(156,243)	(145,179)
Repayment of the principal portion of lease liabilities	(198,464)	(201,027)
Cash dividends and capital surplus distribution cash dividends paid	(2,931,109)	(1,758,863)
Share capital retirement due to expiration of restricted stock awards	-	(1,320)
Change in non-controlling interests	(6,252)	(468)
Donation surplus	873	228
Distribution of cash dividends for non-controlling interests	(5,313,154)	(5,312,750)
Net cash flows used in financing activities	(8,165,715)	(7,296,538)
Effect of exchange rate changes on cash and cash equivalents	62,145	(290,635)
Net (decrease) in cash and cash equivalents	(11,088,835)	(1,927,706)
Cash and cash equivalents at beginning of period	34,901,425	36,829,131
Cash and cash equivalents at end of period	$ **23,812,590**	**34,901,425**

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Sino-American Silicon Products Inc. and subsidiaries

Notes to the Consolidated 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. ("SAS" or "the Company") was incorporated in accordance with the Company Act of the Republic of China in January 1981. The address of its registered is No.8, Industrial East Road 2, Science Based Industrial Park, Hsinchu, Taiwan, R.O.C. The Company, as well as its subsidiaries (together referred to as the "Group"), mainly engages in the design, production, and sale of semi-conductor silicon materials and components, rheostat, optical and communications wafer materials; also the related technology, management consulting business, and technical services of the photo-voltaic power system generation and installation.

The Company's common stocks have been officially listed and traded on Taipei Exchange since March 2001.

For reorganization and specialization of professional work to enhance competitiveness and business performance, a resolution was approved at the shareholders' meeting of the Company on June 17, 2011, to have the semiconductor business and sapphire business (including the related assets, liabilities, and business operations) spun off from the Company to establish two new entities which became 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 demerger date as scheduled on October 1, 2011. Based on the net carrying value of the semiconductor business, the Company exchanged 180,000 thousand shares of GlobalWafers' common stock valued at NT$ 38.50 per share with each share at NT$ 10 par value; also, based on the sapphire business net assets, the Company exchanged 40,000 thousand shares of Sino Sapphire's common stock valued at NT$ 40 per share with each share at NT$ 10 par value per share.

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.

The Group acquired all outstanding ordinary shares of SunEdison Semiconductor Limited (hereinafter referred to as SunEdison) on December 2, 2016 so that it acquired the control over SunEdison Semiconductor Limited and its subsidiaries. SunEdison is the world's leading semiconductor wafer manufacturer and supplier. Since its inception, SunEdison has been a leader in wafer design and R&D technology. SunEdison's R&D and manufacturing bases are located throughout the United States, Europe and Asia to develop next generation high performance semiconductor wafers. Through this acquisition, the Group will be able to increase its global market share, customer base, other wafer technology and capacity and expand operations.

2. Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issue by the Board of Directors on March 18, 2021.

3. New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated 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"

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

The Group assessed 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 consolidated 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"

(3) 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

Standards or Interpretations	Content of amendment	Effective date per IASB
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 Group is evaluating the impact of its initial adoption of the above mentioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group 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 consolidated 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”

4. Summary of significant accounting policies:

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

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the “ Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereinafter referred to as the Regulations), International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C (hereinafter referred to as the “IFRSs endorsed by the FSC”).

(2) Basis of preparation

A. Basis of measurement

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

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

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

(c) Cash-settled-shared-based payment liability is measured at fair value;

(d) The defined benefit liabilities (assets) are measured at fair value of the plan assets, less the present value of the defined benefit obligation and the asset ceiling, as explained in note 4(16).

B. Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(3) Basis of consolidation

A. Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for alike transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost ;and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

B. List of subsidiaries in the consolidated financial statements:

			Percentage of Ownership		
Name of Investor	**Name of subsidiary**	**Business**	**December 31, 2020**	**December 31, 2019**	**Note**
Sino-American Silicon Products Inc.	Sino Silicon Technology Inc. (SSTI)	Investment and triangular trade center with subsidiaries in China	100%	100%	
Sino-American Silicon Products Inc.	GlobalWafers	Manufacturing and trading of semiconductor silicon materials and components,	51.17%	51.17%	
Sino-American Silicon Products Inc.	Aleo Solar GmbH (Aleo Solar)	Solar cell manufacturing and sale and wholesale of electronic materials	100%	100%	
Sino-American Silicon Products Inc.	SAS Sunrise Inc.	Investment activities	100%	100%	
Sino-American Silicon Products Inc.	Sunrise PV World Co. (Sunrise PV World)	Power generating business	-	100%	Note 3(6)
Sino-American Silicon Products Inc.	Sunrise PV Electric Power Five Co., Ltd. (Sunrise PV Electric Power Five)	Power generating business	-	100%	Note 4
Sino-American Silicon Products Inc.	Sunrise PV Three Co., Ltd. (Sunrise PV Three)	Power generating business	100%	-	Note 3(6)
Sino-American Silicon Products Inc.	SAS Holding Co., Ltd. (SASH)	Investment activities	100%	-	Note 5
SAS Sunrise Inc.	SAS Sunrise Pte. Ltd.	Investment activities	100%	100%	
SAS Sunrise Pte. Ltd.	Sulu Electric Power and Light Inc. (Sulu)	Power generating business	40%	-	Note 1

Name of Investor	Name of subsidiary	Business	Percentage of Ownership December 31, 2020	Percentage of Ownership December 31, 2019	Note
SAS Sunrise Pte. Ltd.	Sulu	Power generating business	-	40%	Note 1
SAS Sunrise Pte. Ltd.	AMLED International Systems Inc. (AMLED)	Investment activities	-	-	Note 2
AMLED	Sulu	Power generating business	45%	45%	
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Solar cell manufacturing and sale and wholesale of electronic materials	100%	100%	
Sunrise PV World Co.	Sunrise PV Three Co., Ltd. (Sunrise PV Three)	Power generating business	-	100%	Note 3(6)
Sunrise PV World Co.	Sunrise PV Four Co., Ltd. (Sunrise PV Four)	Power generating business	-	100%	Note 3(1)
GlobalWafers	GlobalSemiconductor Inc. (GSI)	Investment activities	100%	100%	
GlobalWafers	GlobalWafers Inc. (GWI)	Investment activities	100%	100%	
GlobalWafers	GlobalWafers Japan Co., Ltd. (GWJ)	Manufacturing and trading of semiconductor silicon materials	100%	100%	
GlobalWafers	GWafers Singapore Pte. Ltd. (GWafers Singapore)	Investment activities	100%	67.2%	Note 3(2)
GlobalWafers	Topsil GlobalWafers A/S (Topsil A/S)	Manufacturing and trading of semiconductor silicon materials	-	100%	Note 3(3)
GlobalWafers	Taisil Electronic Materials Corp. (Taisil)	Manufacturing and trading of semiconductor silicon materials	-	99.99%	Note 3(4)
GlobalWafers	Sunrise PV Four	Power generating business	100%	-	Note 3(1)
GlobalWafers	Sunrise PV Electric Power Five	Power generating business	100%	-	Note 4
GlobalWafers	GlobalWafers Holding Co., Ltd. (GWH)	Investment activities	100%	-	Note 5
GSI	Kunshan Sino Silicon Technology Co., Ltd. (SST)	Processing and trading of ingots and wafers	100%	100%	
GWI	GWafers Singapore	Investment activities	-	32.8%	Note 3(2)
GWJ	MEMC Japan Ltd. (MEMC Japan)	Manufacturing and trading of semiconductor silicon materials	100%	100%	
SST	Shanghai GrowFast Semiconductor Technology Co., Ltd. (Shanghai GrowFast)	Sales and marketing business	-	60%	Note 6
SST	MEMMC Electronic Materials, Sdn Bhd (MEMMC Sdn Bhd)	Semiconductor silicon wafer R&D, manufacturing and sales	100%	-	Note 3(5)

Name of Investor	Name of subsidiary	Business	Percentage of Ownership December 31, 2020	Percentage of Ownership December 31, 2019	Note
Topsil A/S	Topsil Semiconductor sp z o.o. (Topsil PL)	Manufacturing and trading of semiconductor silicon materials	100%	100%	
GWafers Singapore	GlobalWafers Singapore Pte Ltd. (formerly known as SunEdison Semiconductor Limited, GWS)	Investment holding and trading	100%	100%	
GWS	GlobalWafers Pte Ltd. (formerly known as SunEdison Semiconductor B.V., GWBV)	Investment activities	100%	100%	
GWBV	MEMC Electronic Materials, SpA (MEMC SpA)	Manufacturing and trading of semiconductor silicon materials	100%	100%	
MEMC SpA	MEMC Electronic Materials France SarL (MEMC SarL)	Trading	100%	100%	
MEMC SpA	MEMC Electronic Materials GmbH (MEMC GmbH)	Trading	100%	100%	
GWBV	MEMC Korea Company (MEMC Korea)	Manufacturing and trading of semiconductor silicon materials	100%	100%	
GWBV	MEMC Sdn Bhd	Semiconductor silicon wafer R&D, manufacturing and sales	-	100%	Note 3(5)
GWBV	SunEdison Semiconductor Technology (Shanghai) Ltd. (SunEdison Shanghai)	Trading	-	100%	Note 6
GWBV	MEMC Ipoh Sdn Bhd (MEMC Ipoh)	Manufacturing and trading of semiconductor silicon materials	100%	100%	
GWBV	GlobiTech Incorporated (GTI)	Epitaxial silicon wafer production and trade of epitaxy foundry business	100%	100%	
GWBV	Topsil A/S	Manufacturing and trading of semiconductor silicon materials	100%	-	Note 3(3)
GWBV	Global Wafers GmbH (GW GmbH)	Manufacturing and trading of semiconductor silicon materials	100%	-	Note 5
GTI	MEMMC LLC	Semiconductor silicon wafer R&D, manufacturing and sales	100%	100%	

Note 1: The Group can control the financial and operating strategies of Sulu through effective agreements with its other investors, so Sulu is considered as a subsidiary. The ownership of Sulu was transferred from SAS Sunrise Pte. Ltd. to SAS Sunrise Inc. since December 2020.

Note 2: The Group does not have an owners' equity of AMLED. However, the Group 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 Group adjusted its organizational structure as follows:

(1) Sunrise PV Four was transferred on January 2020 to become a 100% held subsidiary of Global Wafers.

(2) GWafers Singapore was transferred from both GlobalWafers and GWI to GlobalWafers only.

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

(4) Taisil was merged into GlobalWafers on February 1, 2020, wherein GlobalWafers became the surviving company and Taisil as the dissolved entity.

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

(6) The Company merged with Sunrise PV World on February 1, 2020. After the merge, Sunrise PV Three became a 100% held subsidiary of the Company.

Note 4: The Group invested in Sunrise PV Electric Power Five in December 2019 due to its operating strategy. The subsidiary was transferred to and 100% owned by Global-Wafers in July 2020.

Note 5: GW GmbH was established in February 2020. SASH and GWH were established in September 2020.

Note 6: SunEdison Shanghai completed the liquidation process in July 2020; Shanghai GrowFast completed the liquidation process on November 19, 2020.

C. Subsidiaries excluded from the consolidated financial statements: None.

(4) Foreign currencies

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group 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 Group 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 Group 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.

(5) 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 Group 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.

(6) Cash and cash equivalent

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

(7) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group 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, for an item not at fair value through profit or loss (FVTPL), 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, FVOCI, and FVTPL. Financial assets are not reclassified subsequently to their initial recognition unless the Group 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, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, 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 (FVTOCI)

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 Group 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.

Equity investments at FVOCI 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.

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

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

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

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 purposes of this assessment, principal is defined as the fair value of the financial assets on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

(e) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized costs, notes and accounts receivable, guarantee deposits and other financial assets) and contract assets.

The Group 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
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group 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 Group's historical experience and informed credit assessment as well as forward-looking information.

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

The Group 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 Group in full.

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

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

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

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls, i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI 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. An 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 assets.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. The Group 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 Group 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 Group' s procedures for recovery of amount due.

(f) Derecognition of financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group 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 and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual agreements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

An equity instrument is any contract that evidences the residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued is 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 Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group 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 Group currently has a legally enforceable right to offset 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 Group 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.

(8) 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 present 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.

(9) Investment in associates

Associates are those entities in which the Group 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 consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group 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 Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group 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 Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under additional paid in capital. If the additional paid in capital resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group'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 will 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.

(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 Group.

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 and improvements: 2~50 years

(b) Machinery and equipment: 1~15 years

(c) Other equipment and leased assets: 1~25 years

(d) Buildings constitute mainly building, 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 40 years, 25 years, and 4 to 15 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 Group 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 Group 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 Group 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 Group 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 leasee

The Group 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 Group’s incremental borrowing rate. Generally, the Group 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 Group’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 Group 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 Group 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 other equipment. The Group 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 Group 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 Group 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 Group 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 Group applies IFRS15 to allocate the consideration in the contract.

(12) Intangible assets

A. Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

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 Group 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.

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

B. Other intangible assets

Other intangible assets that are acquired by the Group 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, including expenditure on internally generated goodwill and brands, 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, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

(a) goodwill and trademarks: 4~6 years

(b) development costs: 10 years

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 Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets 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. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then, to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized for the assets in prior years.

(14) Provisions

A provision is recognized if, as a result of a past event, the Group 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 finance cost.

A. Site restoration

In accordance with the Group' s published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land and the related expense are recognized when the land is contaminated. A provision for site restoration of lease land and the related expense are recognized over the term of the lease.

B. Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group 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 Group 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 Group expects to be entitled in exchange for transferring goods or services to a customer. The Group 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 Group's main types of revenue are explained below.

(a) Sale of goods

The Group engages mainly in the research, development, production, design, and sales of semiconductor ingots and wafers, varistors, optoelectronics and communication wafer materials. The Group 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 Group 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 Group has a right to an amount of consideration that is unconditional.

(b) Product processing services

The Group 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 Group has the right to open an invoice. The Group will ask for a monthly payment from the customer and will receive the consideration after opening the invoice.

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

(c) Engineering contract

The Group 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 Group 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 billed, 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 Group expects that the inevitable cost of performance of an engineering contract exceeds the economic benefit expected from the contract, the liability provision for the loss-making 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.

(d) Services

The Group provides services to its customers. Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

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.

(e) Electric power revenue

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

B. Financing components

The Group 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 Group 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 Group'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 Group, 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 Group 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 Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. Short-term employee benefits

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

A liability is recognized for the amount expected to be paid if the Group 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 awards granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards whose related service conditions 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 service conditions 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 approval date which the Board of directors reach a consensus in the subscription price and number of shares.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss. Please refer to note 6(20) for its grant date of share-based payment 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 Group 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:

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 and associates to the extent that the Group 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 Group 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 Group discloses the Company's 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

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

The preparation of the consolidated 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 consolidated financial statements is as follows:

(1) 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 Group 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(10) for further description of the key assumptions used to determine the recoverable amount.

(2) Impairment assessment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amount of relevant CGUs. Refer to note 6(12) for details of the impairment of goodwill.

(3) Judgment of whether the Group has substantial control over investees

The Group 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 Group and other shareholders' size and distribution of voting rights show that the Group has no power and does not have over half of the Broad seats and potential voting rights or other contractual arrangements. The Group 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 Group had received a variable return from the investee due to holding the ordinary share of Crystalwise. The source of return is dividends. The Group evaluated that it does not have the ability to influence Crystalwise's return due to the lack of the power to control it. The Group concluded that it has no substantive power to decide the relevant activities from the beginning. Therefore, the Group determined that it has significant influence but not control over Crystalwise.

The Group'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 Group 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 Group recognizes the transfer on the reporting date. For the assumption used in fair value measurement, please refer to note 6(27) of the financial instruments.

6. Explanation of significant accounts:

(1) Cash and cash equivalents

		December 31, 2020	December 31, 2019
Cash on hand	$	8,799	12,884
Demand deposits		19,039,070	20,497,057
Time deposits		3,604,213	13,646,957
Repurchase agreement		1,160,508	744,527
Cash and cash equivalents in the consolidated statement of cash flows	**$**	**23,812,590**	**34,901,425**

Please refer to note 6(27) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

(2) Financial Assets and Liabilities at Fair Value through Profit or Loss (“FVTPL”)

		December 31, 2020	December 31, 2019
Financial assets mandatorily measured at fair value through profit or loss－current:			
Overseas securities held	$	5,604,312	1,876,656
Forward exchange contracts		52,356	6,920
	$	**5,656,668**	**1,883,576**
Financial assets mandatorily measured at fair value through profit or loss－non-current:			
Privately offered funds	**$**	**117,204**	**95,163**
Held-for-trading financial liabilities:			
Forward exchange contract	$	11,672	216,632
Swap exchange contract		34,281	68
	$	**45,953**	**216,700**

During the year ended December 31, 2020, the dividends of $2,210 thousand were incurred from investments in financial assets mandatorily measured at fair value through profit or loss.

The Group uses derivative instruments to hedge certain currency risk arising from the Group's operating activities. The Group held the following derivative instruments, which were not qualified for hedging accounting and accounted them as financial assets mandatorily measured at fair value through profit or loss and held for trading financial liabilities as of December 31, 2020 and 2019:

	December 31, 2020			
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts:				
Forward exchange contracts sold	USD	24,100	USD to EUR	January 26, 2021~ February 25, 2021
Forward exchange contracts sold	USD	2,560	USD to KRW	January 29, 2021
Forward exchange contracts purchased	JPY	20,000,000	JPY to NTD	January 20, 2021~ June 11, 2021
Forward exchange contracts purchased	EUR	50,000	JPY to EUR	February 25, 2021
Forward exchange contracts purchased	EUR	245,381	JPY to KRW	January 29, 2021
Forward exchange contracts purchased	EUR	111	EUR to KRW	January 29, 2021
Forward exchange contracts purchased	EUR	80,000	USD to NTD	January 29, 2021~ February 3, 2021

	December 31, 2019			
	Contract amount (in thousands)		Currency	Maturity date
Forward exchange contracts:				
Forward exchange contracts sold	USD	21,050	USD to EUR	January 24, 2020~ February 26, 2020
Forward exchange contracts sold	USD	2,838	USD to KRW	January 23, 2020
Forward exchange contracts purchased	JPY	19,000,000	JPY to NTD	January 14, 2020~ June 29, 2020
Forward exchange contracts purchased	EUR	1,632,949	JPY to KRW	January 23, 2020
Forward exchange contracts purchased	EUR	50,000	JPY to EUR	February 26, 2020
Forward exchange contracts purchased	EUR	3,508	EUR to KRW	January 23, 2020
Swap exchange contracts:				
Currency exchange	EUR	3,000	USD to NTD	March 17, 2020

Remeasurement at fair value recognized in profit or loss is disclosed in note 6(25).

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 investments at fair value through other comprehensive income:			
Equity investment in foreign entities	$	377,060	326,090
Equity investment in domestic entities		107,570	6,095
Total	**$**	**484,630**	**332,185**

The Group designated the equity investments shown above as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

In considering the Group's operating performance, the Group sold the shares of URE and Phoenix Silicon International Corporation, which were measured at fair value through other comprehensive income. The fair value of URE shares at the disposition date was $313,662 thousand with a cumulative disposal loss of $34,708 thousand and the fair value of Phoenix Silicon International Corporation shares at the disposition date was $239,723 thousand with a cumulative disposal gain of $126,095 thousand, respectively. The aforementioned cumulative disposed gain and loss have been transferred from other equity to retained earnings.

As of December 31, 2020 and 2019, the Group recognized dividend income of $11,006 thousand and $5,248 thousand, respectively.

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

No strategic investments were disposed for the year ended December 31, 2019, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

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

The financial assets mentioned above were not pledged as collateral.

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

	December 31, 2020	December 31, 2019
Current:		
Corporate bonds－Crystalwise Technology Inc.	$ 277,895	240,068
Non-current:		
Corporate bonds－Crystalwise Technology Inc.	$ -	267,612

The Group 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 Group purchased the private equity corporate bonds of Crystalwise Technology Inc. for a one-year period at a principal 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 Group 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 financial assets mentioned above were not pledged as collateral.

(5) Notes and accounts receivable, net

	December 31, 2020	December 31, 2019
Notes receivable	$ 149,634	168,881
Accounts receivable	8,193,728	8,315,492
Accounts receivable at fair value through other comprehensive income	-	7,487
Less: Allowance for doubtful accounts	(11,206)	(57,611)
	$ 8,332,156	8,434,249

The Group assesses a portion of its accounts receivables that had been held within a business model whose objective was achieved by selling financial assets; therefore, such accounts receivables were measured at fair value through other comprehensive income.

The Group 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 solar energy segment (including related parties) was determined as follows:

	December 31, 2020		
	Gross amount of notes and accounts receivable	**Weighted-average loss rate**	**Credit loss allowance**
Current	$ 313,750	0%	-
1 to 30 days past due	57,776	0%	-
More than 181 days past due	3,861	100%	3,861
	$ 375,387		**3,861**

	December 31, 2019		
	Gross amount of notes and accounts receivable	**Weighted-average loss rate**	**Credit loss allowance**
Current	$ 327,675	0%	-
1 to 30 days past due	35,248	0%	-
More than 91 days past due	43,482	96%	41,935
	$ 406,405		**41,935**

The loss allowance provision of semiconductor segment (including related parties) was determined as follows:

	December 31, 2020		
	Gross amount of notes and accounts receivable	**Weighted-average loss rate**	**Credit loss allowance**
Current	$ 7,955,764	0%	-
1 to 30 days past due	76,019	0%	-
31 to 60 days past due	1,755	33%	577
61 to 90 days past due	83	0%	-
More than 181 days past due	6,768	100%	6,768
	$ 8,040,389		**7,345**

	December 31, 2019		
	Gross amount of notes and accounts receivable	**Weighted-average loss rate**	**Credit loss allowance**
Current	$ 7,871,268	0%	-
1 to 30 days past due	241,061	0%	-
31 to 60 days past due	17,797	0%~15%	325
61 to 90 days past due	1,385	30%	416
91 to 120 days past due	13,626	50%	6,806
More than 151 days past due	8,269	90%~100%	8,129
	$ 8,153,406		**15,676**

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

	2020	**2019**
Balance on January 1	$ 57,611	61,221
Expected credit loss (reversed gain) recognized	(12,341)	(2,643)
Amounts written off	(34,663)	-
Foreign exchange gains (losses)	599	(967)
Balance on December 31	**$ 11,206**	**57,611**

The Group factored its accounts receivable to manage credit risks as of each reporting date as follows:

The Group entered into an agreement with banks to factor certain of its accounts receivable without recourse. According to the agreement, within the factoring line, the Group does not have to ensure the ability of debtors to pay when transferring the rights and obligations. The Group derecognized the above accounts receivables because it had transferred substantially all of the risks and rewards of their ownership, and it did not have any continuing involvement in them.

As of the December 31, 2020, the Group did not have any accounts receivable factoring.

As of the December 31, 2019, details of accounts receivable factoring were as follows:

(In Thousands of Japanese Yen)

December 31, 2019						
Purchaser	**Divide by column amount**	**Factoring Line**	**Advanced Amount**	**Declassified to other receivables**	**Range of Interest Rate**	**Collateral**
Mitsubishi UFJ, etc.	$ 329,440	-	329,440	-	1.175%~ 1.475%	None

The factoring agreements were entered into by the Group with individual purchasers.

The Group's notes and accounts receivable were not pledged as collateral.

(6) Inventories

	December 31, 2020	December 31, 2019
Finished goods	$ 2,597,587	2,096,373
Work in progress	1,513,496	2,085,206
Raw materials	3,817,555	3,216,714
	$ 7,928,638	7,398,293

Components of operating costs were as follows:

	2020	2019
Cost of sales	$ 40,028,000	42,202,259
Impairment loss of property, plant and equipment (note 6 (10))	431,196	-
Recognition (reversal) of provisions for inventory valuation loss	79,390	(109,158)
Unallocated fixed manufacturing expense	377,128	266,522
Recognition (reversal) of provision loss (note 6(12))	(632,014)	3,883,063
	$ 40,283,700	46,242,686

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

(7) Investments accounted for using equity method

A summary of financial information for investments accounted for using equity method that are individually insignificant at the reporting date was as follows:

	December 31, 2020	December 31, 2019
Associates	$ 7,158,811	3,248,537

Names of affiliated companies	Relationship with the Group	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	Mainly engages in the manufacturing of electronic component	Taiwan	21.31%	15.50%

Names of affiliated companies	Relationship with the Group	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
Taiwan Special Chemicals Corporation (hereinafter referred to as Taiwan Special Chemicals)	The main business is manufacturing of semiconductor special gas and chemical materials.	Taiwan	30.93%	30.93%
Cathay Sunrise Corporation (hereinafter referred to as Cathay Sunrise)	The main business is manufacturing of power generation, transmission and distribution machinery.	Taiwan	-	30.00%
Crystalwise Technology Inc.	Mainly engages in the manufacturing and trading of optoelectronic wafers and substrate material.	Taiwan	41.93%	41.93%
Hongwang Investment Co., Ltd. (Hongwang)	The main business is general trading	Taiwan	30.98%	30.98%
Accu Solar Corporation (TSCS)	The main business is providing solar modules.	Taiwan	24.70%	24.70%
ADVANCED WIRELESS SEMICONDUCTOR COMPANY (Advanced Wireless)	Mainly engages in the Manufacturing and trading of GaAs wafers.	Taiwan	22.53%	-

	2020	2019
Attributable to the Group:		
Net loss	$ 25,328	344,430
Other comprehensive loss	731,896	269,600
Total comprehensive loss	**$ 757,224**	**614,030**

A. The Group 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 Group had significant influence over Advanced Wireless.

B. The difference between the investment cost of the new investment and the fair value of the identifiable net assets of the investee is mainly attributable to intangible assets, tangible assets, and goodwill.

C. The Group's Broad of Directors resolved to dispose of the entire 30% ordinary shares, 45,000 thousand shares, of Cathay Sunrise to San Ching Engineering Corp. at $11.5 per share on May 7, 2020, and the Group has lost significant influence since then. The disposal price was $517,500 thousand, and the gain was $34,165 thousand.

D. In considering the group' s operating performance, the Group increased its investment in Crystalwise Technology Inc. by $204,960 thousand in May 2019. The excess difference between the investment cost and the net equity value of $12,101 thousand was recognized as a deduction of capital surplus, and the shares held increased from 40.13% to 41.93%.

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

F. The Group acquired equity interests of Hongwang Investment Co., Ltd. for $109,760 thousand in 2019, which was recognized as additions to investments accounted for using the equity method. The difference of $4,063 thousand between the investment cost and the equity is recognized in additional paid in capital. Ownership increased from 24.39% to 30.98% as a result of the acquisition.

G. As of December 31, 2020 and 2019, the cash dividends from the investees were $99,406 thousand and $55,068 thousand, respectively, which were recognized as deductions of investments accounted for using the equity method.

H. Collateral

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

(8) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Name of subsidiary	Main business place / company registered country	% of ownership interests under non-controlling interests as well as the voting rights December 31, 2020	 December 31, 2019
GlobalWafers	Taiwan	48.83 %	48.83 %

The following information of the aforementioned subsidiary was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The financial information included the fair value adjustments made at the acquisition date. Intragroup transactions between the Company and GlobalWafers were not eliminated in this information.

	December 31, 2020	December 31, 2019
Current assets	$ 49,586,369	51,492,745
Non-current assets	45,265,248	45,093,008
Current liabilities	(29,331,386)	(26,910,651)
Non-current liabilities	(21,365,331)	(24,601,852)
Net assets	**$ 44,154,900**	**45,067,015**
Net assets attributable to non-controlling interests	**$ -**	**6,235**
Net assets attributable to the owner of the investee	**$ 44,154,900**	**45,067,015**
Non-controlling interests	**$ 21,561,201**	**22,006,587**

	2020	2019
Sales revenue	**$ 55,358,788**	**58,094,331**
Net income	$ 13,103,631	13,635,656
Other comprehensive income	347,092	(841,189)
Comprehensive income	**$ 13,450,723**	**12,794,467**
Net profit attributable to non-controlling interests	**$ 6,398,496**	**6,662,412**
Total comprehensive income, attributable to non-controlling interests of the investee	**$ 6,567,979**	**6,252,420**
Profit attributable to non-controlling interests	**$ 17**	**(8,439)**
Comprehensive income, attributable to non-controlling interests	**$ 17**	**(9,996)**
Net cash flows from operating activities	$ 14,563,559	17,388,898
Net cash flows from investing activities	(13,471,752)	(12,434,497)
Net cash flows from financing activities	(11,217,706)	(6,784,347)
Effects of changes in foreign exchange rates	(256,132)	(562,865)
Net decrease in cash and cash equivalents	**$ (10,382,031)**	**(2,392,811)**

(9) Loss control of subsidiaries

The Group disposed all of its shares in Sunrise PV Five with a consideration of $144,241 thousand at the end of March 2019 and recognized net gain on disposal of $69,104 thousand under other gains and losses in consolidated statements of comprehensive income and consequently the Group lose its control on Sunrise PV Five.

The carrying amount of assets and liabilities of Sunrise PV Five at the end of March 2019 was as follow:

Cash and cash equivalents	$	6,564
Accounts receivable		1,976
Current assets		302
Property, plant and equipment		231,584
Non-current assets		36,202
Current liabilities		(165,269)
Non-current liabilities		(36,222)
Carrying amount of net assets	**$**	**75,137**

The Group disposed all of its shares in Sunrise PV Electric Power Two with a consideration of $47,770 thousand at the end of July 2019 and recognized net gain on disposal of $3,480 thousand under other gains and losses in consolidated statements of comprehensive income and consequently the Group lose its control on Sunrise PV Electric Power Two.

The carrying amount of assets and liabilities of Sunrise PV Electric Power Two at the end of July 2019 was as:

Cash and cash equivalents	$	18,779
Accounts receivable		1,265
Current assets		5,988
Property, plant and equipment		121,932
Non-current Assets		36,812
Current liabilities		(104,050)
Non-current liabilities		(36,436)
Carrying amount of net assets	**$**	**44,290**

(10) Property, plant and equipment

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

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:						
Balance at January 1, 2020	$ 3,407,360	18,779,888	56,216,092	5,170,147	8,850,371	92,423,858
Additions	-	912,217	463,186	377,145	6,771,969	8,524,517
Disposals	-	(39,561)	(1,546,251)	(261,780)	-	(1,847,592)
Reclassification and transfer	(23,626)	1,770,153	11,067,440	999,494	(13,885,042)	(71,581)
Effect of changes in exchange rates	(89,721)	(285,374)	1,600,755	(507,074)	(116,065)	602,521
Balance at December 31, 2020	**$ 3,294,013**	**21,137,323**	**67,801,222**	**5,777,932**	**1,621,233**	**99,631,723**
Balance at January 1, 2019	$ 3,466,034	18,593,462	60,038,560	4,634,177	3,379,135	90,111,368
Additions	-	16,715	143,401	416,447	8,514,621	9,091,184
Disposals	-	(41,964)	(4,364,736)	(80,522)	(9,845)	(4,497,067)
Reclassification and transfer	3,238	521,618	1,328,160	280,044	(2,766,637)	(633,577)
Effect of changes in exchange rates	(61,912)	(309,943)	(929,293)	(79,999)	(266,903)	(1,648,050)
Balance at December 31, 2019	**$ 3,407,360**	**18,779,888**	**56,216,092**	**5,170,147**	**8,850,371**	**92,423,858**
Depreciation and impairment loss:						
Balance at January 1, 2020	$ -	9,765,738	39,762,324	2,619,081	-	52,147,143
Depreciation for the year	-	782,938	4,431,317	394,158	-	5,608,413
Impairment loss	-	-	423,739	7,457	-	431,196
Disposals	-	(30,627)	(1,535,698)	(174,494)	-	(1,740,819)
Reclassification and transfer	-	(18,960)	(550,903)	590,777	-	20,914
Effect of changes in exchange rates	-	(172,846)	1,345,646	(462,961)	-	709,839
Balance at December 31, 2020	**$ -**	**10,326,243**	**43,876,425**	**2,974,018**	**-**	**57,176,686**
Balance at January 1, 2019	$ -	9,150,708	41,208,206	2,312,194	1,705	52,672,813
Depreciation for the year	-	763,046	3,653,004	422,887	-	4,838,937
Disposals	-	(41,716)	(3,906,267)	(65,238)	(1,705)	(4,014,926)
Reclassification and transfer	-	177	(686,945)	11,461	-	(675,307)
Effect of changes in exchange rates	-	(106,477)	(505,674)	(62,223)	-	(674,374)
Balance at December 31, 2019	**$ -**	**9,765,738**	**39,762,324**	**2,619,081**	**-**	**52,147,143**
Carrying amounts:						
Balance at December 31, 2020	**$ 3,294,013**	**10,811,080**	**23,924,797**	**2,803,914**	**1,621,233**	**42,455,037**
Balance at January 1, 2019	**$ 3,466,034**	**9,442,754**	**18,830,354**	**2,321,983**	**3,377,430**	**37,438,555**
Balance at December 31, 2019	**$ 3,407,360**	**9,014,150**	**16,453,768**	**2,551,066**	**8,850,371**	**40,276,715**

B. Impairment loss

The Group evaluated 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 Group'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 Group recognized impairment loss of some machinery amounted to $431,196 thousand due to the changes in production technology, which incurred as operating costs in the statement of comprehensive income.

C. Collateral

The property, plant and equipment of the Group had been pledged as collateral for long-term and short-term loans and credit lines. Please refer to note 8.

(11) Right-of-use assets

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

		Land	Buildings	Machinery and equipment	Other equipment	Total
Cost:						
Balance at January 1, 2020	$	611,124	291,816	37,494	153,879	1,094,313
Additions		84,257	2,386	-	45,622	132,265
Disposal		(39,852)	(2,859)	(116)	(4,556)	(47,383)
Reclassification		-	-	(35,358)	35,358	-
Transfer and others		(3,510)	(2,235)	-	(4,514)	(10,259)
Effect of changes in exchange rates		173	(902)	(611)	2,740	1,400
Balance at December 31, 2020	**$**	**652,192**	**288,206**	**1,409**	**228,529**	**1,170,336**
Balance at January 1, 2019	$	-	-	-	-	-
Retroactive adjustment for IFRS 16		629,229	316,600	39,047	155,383	1,140,259
Additions		-	935	-	9,529	10,464
Disposal		(15,370)	(29,560)	-	(389)	(45,319)
Transfer and others		(2,077)	5,476	(80)	(8,881)	(5,562)
Effects of changes in exchange rates		(658)	(1,635)	(1,473)	(1,763)	(5,529)
Balance at December 31, 2019	**$**	**611,124**	**291,816**	**37,494**	**153,879**	**1,094,313**

	Land	Buildings	Machinery and equipment	Other equipment	Total
Accumulated depreciation:					
Balance at January 1, 2020	$ 41,880	53,210	10,237	75,377	180,704
Depreciation for the year	45,294	52,530	730	84,235	182,789
Disposal	(9,182)	(2,859)	(116)	(5,389)	(17,546)
Reclassification	-	-	(9,735)	9,735	-
Effects of changes in exchange rates	(4,291)	(3,008)	(187)	(990)	(8,476)
Balance at December 31, 2020	**$ 73,701**	**99,873**	**929**	**162,968**	**337,471**
Balance at January 1, 2019	$ -	-	-	-	-
Depreciation for the year	44,068	54,700	11,316	81,404	191,488
Disposal	(204)	(607)	-	(349)	(1,160)
Effects of changes in exchange rates	(1,984)	(883)	(1,079)	(5,678)	(9,624)
Balance at December 31, 2019	**$ 41,880**	**53,210**	**10,237**	**75,377**	**180,704**
Carrying amount:					
Balance at December 31, 2020	**$ 578,491**	**188,333**	**480**	**65,561**	**832,865**
Balance at December 31, 2019	**$ 569,244**	**238,606**	**27,257**	**78,502**	**913,609**
Balance at January 1, 2019	**$ 629,229**	**316,600**	**39,047**	**155,383**	**1,140,259**

The Group impairment loss assessment for the years ended December 31, 2020 and 2019, please refer to note 6(10).

(12) Intangible assets

The cost and amortization of the intangible assets of the Group for the years ended December 31, 2020 and 2019were as follows:

	Goodwill	Patents and trademarks	Development costs	Computer software	Total
Cost:					
Balance at January 1, 2020	$ 2,421,056	1,702,745	104,671	-	4,228,472
Additions	-	-	-	3,631	3,631
Reclassification	-	61,616	185,985	69,827	317,428
Effect of changes in exchange rates	(93,692)	(6,630)	6,185	(3,619)	(97,756)
Balance at December 31, 2020	**$ 2,327,364**	**1,757,731**	**296,841**	**69,839**	**4,451,775**
Balance at January 1, 2019	$ 2,488,317	1,704,483	160,515	-	4,353,315
Disposals	-	-	(50,711)	-	(50,711)
Effect of changes in exchange rates	(67,261)	(1,738)	(5,133)	-	(74,132)
Balance at December 31, 2019	**$ 2,421,056**	**1,702,745**	**104,671**	**-**	**4,228,472**

	Goodwill	Patents and trademarks	Development costs	Computer software	Total
Amortization:					
Balance at January 1, 2020	$ -	997,181	3,708	-	1,000,889
Amortization for the year	-	331,480	14,436	2,866	348,782
Reclassification	-	61,616	185,985	69,827	317,428
Effect of changes in exchange rates	-	(5,737)	3,812	(10,862)	(12,787)
Balance at December 31, 2020	**$ -**	**1,384,540**	**207,941**	**61,831**	**1,654,312**
Balance as of January 1, 2019	$ -	666,222	37,696	-	703,918
Current amortization	-	332,113	15,767	-	347,880
Current amortization	-	-	(49,570)	-	(49,570)
Effect of changes in exchange rates	-	(1,154)	(185)	-	(1,339)
Balance at December 31, 2019	**$ -**	**997,181**	**3,708**	**-**	**1,000,889**
Carrying amounts:					
Balance at December 31, 2020	**$ 2,327,364**	**373,191**	**88,900**	**8,008**	**2,797,463**
Balance at January 1, 2019	**$ 2,488,317**	**1,038,261**	**122,819**	**-**	**3,649,397**
Balance at December 31, 2019	**$ 2,421,056**	**705,564**	**100,963**	**-**	**3,227,583**

As of December 31, 2020 and 2019, the amortization expenses of intangibles assets recognized under operating expenses in the statements of comprehensive income amounted to $348,782 thousand and $347,880 thousand, respectively.

For the purpose of impairment testing, goodwill was allocated to the semiconductor business segment. The Group' s goodwill has been tested for impairment at least once at the end of each annual reporting period and the recoverable amount is determined based on discounted cash flows.

Based on the result of the Group's assessment, no goodwill impairment losses were recognized.

The intangible assets mentioned above were not pledged as collateral.

(13) Short-term borrowings

	December 31, 2020	December 31, 2019
Unsecured borrowings	**$ 10,771,000**	**11,465,075**
Unused credit lines	**$ 21,721,439**	**28,430,716**
Range of interest rates at the year end	**0.56%~ 0.64%**	**0.70%~ 3.00%**

Please refer to note 8 for details of the related assets pledged as collateral.

(14) Long-term borrowings

The details of long-term borrowings were as follows:

	December 31, 2020			
	Currency	**Interest**	**Maturity**	**Amount**
Unsecured borrowings	NTD	1.22%	118.12	$ 1,080,816
Less: current portion				(32,752)
Total				$ 1,048,064

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

Please refer to note 8 for details of the related assets pledged as collateral.

(15) Lease liabilities

The carrying amounts of lease liabilities of the Group was as follows:

	December 31, 2020	December 31, 2019
Current (recognized under other current liabilities)	$ 117,759	178,913
Non-current (recognized under other non-current liabilities)	$ 728,314	752,484

For the maturity analysis, please refer to note 6(27) “Financial instruments”.

The amounts recognized in profit or loss were as follows:

	2020	2019
Interest on lease liabilities	$ 10,911	12,051
Variable lease payments not included in the measurement of lease liabilities	$ 2,279	880
Expenses relating to short-term leases	$ 9,838	15,564
Expenses relating to leases of low value assets, excluding short term leases of low value assets	$ 2,926	6,054

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

	2020	2019
Total cash outflow for leases	$ 224,418	235,576

A. Land and Buildings lease

The Group 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 Group leases vehicles and other equipment, with lease terms of two to five years. In some cases, the Group 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.

(16) Provisions

The details of the movement in the Group's provisions were as follows:

		Site restoration	Onerous contracts	Total
Balance of January 1, 2020	$	62,005	4,844,899	4,906,904
Provisions made during the year		7,839	-	7,839
Provisions reversed during the year		(9,798)	(630,055)	(639,853)
Effect of changes in exchange rates		10,607	-	10,607
Balance of December 31, 2020	**$**	**70,653**	**4,214,844**	**4,285,497**
Current	$	21,697	221,949	243,646
Non-current		48,956	3,992,895	4,041,851
Total	**$**	**70,653**	**4,214,844**	**4,285,497**
Balance of January 1, 2019	$	64,651	960,292	1,024,943
Provisions made during the year		9,688	4,193,975	4,203,663
Provisions reversed during the year		(11,232)	(309,368)	(320,600)
Effect of changes in exchange rates		(1,102)	-	(1,102)
Balance of December 31, 2019	**$**	**62,005**	**4,844,899**	**4,906,904**
Current	$	10,307	221,949	232,256
Non-current		51,698	4,622,950	4,674,648
Total	**$**	**62,005**	**4,844,899**	**4,906,904**

A. Site restoration

Under the lease contract, if the Group does not intend to extend its leasehold, the Group needs to restore the plants. The Group estimates the provision based on the lease terms and in accordance with the Group's published environmental policy and applicable legal requirements. A provision for site restoration is made in respect of environmental cleanup costs.

B. Onerous contract

The Group entered into several non-cancellable long-term material supply agreements with the suppliers of silicon materials. The Group 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 Group 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.

(17) 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	$ (8,155,583)	(8,436,845)
Fair value of plan assets	5,671,476	5,489,559
Recognized (liabilities) assets for defined benefit obligations	**$ (2,484,107)**	**(2,947,286)**

	December 31, 2020	December 31, 2019
Net defined benefit asset (recognized under other non-current assets)	$ -	3,104
Net defined benefit liabilities	(2,484,017)	(2,950,390)
	$ (2,484,017)	**(2,947,286)**

The plans entitle a retired employee to receive a pension benefit based on years of service prior to retirement.

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

The movements in present value of the defined benefit obligations of the Group for the years ended December 31, 2020 and 2019 were as follows:

		2020	2019
Defined benefit obligations at January 1	$	8,436,845	8,164,777
Current service costs and interest cost		231,465	489,118
Remeasurements for defined benefit obligations			
—Actuarial gains and losses arising from experience adjustments		161,262	11,528
—Actuarial gains and losses resulting from changes in demographic assumptions		280,853	371,933
—Actuarial gains and losses resulting from changes in financial assumptions		84,229	78,187
Past service credit		6,459	-
Benefits paid		(463,540)	(493,490)
Expected settlement of benefit obligations		(424,645)	(185,208)
Effects of changes in exchange rates		(157,345)	-
Defined benefit obligations at December 31	$	**8,155,583**	**8,436,845**

(b) Movements in the fair value of the plan assets

The movements in the fair value of the defined benefit plan assets of the Group for the years ended December 31, 2020 and 2019 were as follows:

		2020	2019
Fair value of plan assets at January 1	$	5,489,559	4,994,981
Interest income		125,720	160,435
Remeasurements for defined benefit obligations			
—Return on plan asset (excluding current interest)		492,356	641,034
Contributions made		254,051	174,797
Benefits paid		(308,756)	(336,313)
Expected settlement of benefit obligations		(191,699)	-
Effect of changes in exchange rates		(189,755)	(145,375)
Fair value of plan assets at December 31	$	**5,671,476**	**5,489,559**

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks. The Group' s Bank of Taiwan labor pension reserve account balance amounted to $256,357 thousand as of December 31, 2020. 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.

Under the employee defined benefit plans of the Group' s subsidiary in Korea, the plan assets comprised of time deposits bearing annual interest rates ranging from 1.74%~2.20%.

In Italy, the Group' s subsidiary contributes an amount to the National Social Security Pension Fund (INPS) for the employee defined benefit plan.

Under the employee defined benefit plans of the entities located in the United States, plan assets are comprised of trust funds with different grades of risks and returns. Plan asset portfolio consists of a variety of financial instruments including cash, equity securities, and income funds.

(c) Changes in the effect of the asset ceiling

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

(d) Expenses recognized in profit or loss

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

		2020	2019
Current service costs	$	100,934	472,005
Net interest of defined benefit obligation		11,270	(143,322)
	$	**112,204**	**328,683**
Operating Costs	$	78,220	282,476
Selling expenses		11,007	27,854
Administrative expenses		12,001	8,847
Research and development expenses		10,976	9,506
	$	**112,204**	**328,683**

(e) Actuarial assumptions

The Group's principal actuarial assumptions at the reporting date were as follows:

	December 31, 2020	December 31, 2019
Discount rate	0.03%~3.06%	0.32%~3.04%
Future salary increase rate	0.8%~5.75%	1.33%~9.96%

The estimated amount of contribution to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $227,260 thousand.

The weighted average duration of the defined benefits obligation are 3 years to 16.87 years.

(f) 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	$	(189,487)	201,145
Future salary increase rate	$	68,394	(62,640)
December 31, 2019			
Discount rate	$	(203,951)	212,482
Future salary increase rate	$	93,533	(87,128)

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 Group 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 Group's contribution to the Bureau of Labor Insurance requires no additional legal or constructive obligations thereafter.

The Company's domestic subsidiaries' pension costs incurred from contributions to the defined contribution plan were $95,533 thousand and $85,230 thousand for the years ended December 31, 2020 and 2019, respectively. Such contributions were made to the Bureau of the Labor Insurance.

The total periodic pension costs of other subsidiaries were recognized as current expenses in accordance with the local regulations of their respective jurisdictions where they are domiciled. The Group recognized the pension costs of $189,711 thousand and $97,203 thousand for its overseas subsidiaries in the years of 2020 and 2019, respectively.

(18) Income tax

A. Income tax expense

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

	2020	2019
Current tax expense (profit)		
Current tax expense	3,450,406	4,117,829
Deferred tax expense		
Origination of temporary differences	76,722	910,995
Income tax expense	$ 3,527,128	5,028,824

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

	2020	2019
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit obligations	$ (38,521)	120,951
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	$ (33,505)	(305,271)

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

	2020	2019
Income before income tax	$ 16,238,190	13,924,169
Income tax using the Company's domestic tax rate	3,247,638	2,784,834
Effect of tax rates in foreign jurisdiction	457,100	504,291
Shares of profit of foreign subsidiaries accounted for using equity method	1,797,820	1,697,507
Tax effect of permanent differences	(294,504)	163,919
Basic income tax	-	4,840
Tax refunded for repatriated offshore funds to Taiwan	(547,941)	(390,785)
Investment tax credits	(606,077)	(144,840)
Changes in unrecognized temporary differences and others	(526,908)	409,058
	$ 3,527,128	5,028,824

B. Deferred tax assets and liabilities

(a) 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	$ 1,906,037	1,721,216
Carryforward of unused tax losses	723,032	679,200
	$ **2,629,069**	**2,400,416**

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 of December 31, 2020, the information of the Group'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 (estimated)	1,180,000	2028
	$ **3,615,160**	

(b) Deferred tax liabilities have not been recognized with respect of the following items:

	December 31, 2020	December 31, 2019
Aggregate amount of temporary differences related to investments in subsidiaries	$ **(1,535,975)**	**(997,762)**

The Group 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.

(c) Recognized deferred tax assets and liabilities

Deferred tax assets:

	January 1, 2020	Recognized in profit or loss	Recognized in other comprehen sive income	Effect of changes in exchange rates	December 31, 2020
Assets:					
Allowance for inventory valuation	$ 177,678	64,335	-	25,654	267,667
Loss carryforwards	109,042	(107,450)	-	(1,592)	-
Defined benefit obligations	448,658	(158,926)	13,609	29,400	332,741
Equity-method investments	170,672	(134,576)	(23,540)	-	12,556
Expected credit loss of accounts receivable	93,280	-	-	57,550	150,830
Depreciation life differences of property, plant and equipment	163,567	304,418	-	33,332	501,317
Unrealized exchange losses	130,446	(60,084)	-	(47,343)	23,019
Others	634,293	355,150	-	35,248	1,024,691
	$ 1,927,636	**262,867**	**(9,931)**	**132,249**	**2,312,821**
Liabilities:					
Equity method investments	$ (2,932,566)	(224,907)	81,957	-	(3,075,516)
Depreciation differences of property, plant and equipment and others	(1,881,310)	38,762	-	(56,343)	(1,898,891)
	$ (4,813,876)	**(186,145)**	**81,957**	**(56,343)**	**(4,974,407)**

		January 1, 2019	Recognized in profit or loss	Recognized in other comprehen sive income	Effect of changes in exchange rates	December 31, 2019
Assets:						
Allowance for inventory valuation	$	198,554	(16,189)	-	(4,687)	177,678
Loss carryforwards		29,726	83,084	-	(3,768)	109,042
Defined benefit obligations		395,594	(44,377)	101,353	(3,912)	448,658
Equity-method investments		109,783	40,399	20,490	-	170,672
Expected credit loss of accounts receivable		112,479	(13,458)	-	(5,741)	93,280
Depreciation life differences of property, plant and equipment		166,495	107	-	(3,035)	163,567
Unrealized exchange losses		114,144	17,625	-	(1,323)	130,446
Others		388,068	258,352	-	(12,127)	634,293
	$	**1,514,843**	**325,543**	**121,843**	**(34,593)**	**1,927,636**
Liabilities:						
Equity method investments	$	(2,487,625)	(710,856)	265,915	-	(2,932,566)
Depreciation life differences of property, plant and equipment		(729,816)	(148,850)	-	26,633	(852,033)
Fair value adjustment for the net assets acquired in business combinations		(435,519)	15,224	-	9,963	(410,332)
Others		(11,704)	(392,056)	(203,438)	(11,747)	(618,945)
	$	**(3,664,664)**	**(1,236,538)**	**62,477**	**24,849**	**(4,813,876)**

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.

(19) 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 both amounted to $5,862,367 thousand.

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 at January 1	584,573	582,880
Restricted employee shares	1,649	1,693
Closing balance at 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**

The Company's resolutions to distribute cash dividends out of capital surplus for an amount of $1,416,136 thousand ($2.42 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 above mentioned 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. The carrying amount of special reserve amounted to $102,349 thousand as of December 31, 2020 and 2019.

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 off-setting 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.

G. Other equity, net of tax

	Exchange differences on translation of foreign financial statements	Gains (losses) on equity instruments measured at fair value through other comprehen-sive income	Unearned compensation cost	Other	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 of associates accounted using equity method	3,680	-	-	2,893	6,573
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	398,280	-	-	398,280
Share of unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of associates using equity method	-	116,509	-	-	116,509
Compensation cost of restricted shares issued	-	-	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 of associates accounting using equity method	(6,997)	-	-	112	(6,885)
Unrealized gains (losses) on 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 for using equity method	-	158,135	-	-	158,135
Disposal of equity instruments measured at fair value through other comprehensive income	-	(313,015)	-	-	(313,015)
Compensation cost of restricted shares issued	-	-	56,726	-	56,726
Balance at December 31, 2019	**$ (2,224,344)**	**(1,585,242)**	**(18,608)**	**(3,268)**	**(3,831,462)**

(20) 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 grant 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:

1) 1 year of service: 40%

2) 2 year of service: 70%

3) 3 year of service: 100%

After the employees subscribe for the new shares, they may not sell, pledge, transfer, donate, set or do other disposition of their shares until the vested conditions are fulfilled; new restricted employee shares are subject to the right to participate in the distribution of dividends, and the dividends they receive are not subject to the vested period; the proposal, speech, voting rights and other relevant shareholders' equity of the shareholders meeting of the Company before the vested conditions are the same as the other ordinary shares of 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 was 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 recognized as the operating costs and operating expenses. The balance of the unvested employee compensation of the Company as of December 31, 2020 and 2019 were nil and $18,608 thousand, respectively, which were accounted for as reductions of other equity.

B. Cash-settled share-based payment

The Company's subsidiary, GlobalWafers, issued a cash settled share-based payment for a period of four years. The assigned employees are entitled to future cash payments when performing the conditions of service. The condition of the plan requires that employees who are entitled to the above share appreciation rights must be in service on each vested date at the Group (February 28, 2019, February 28, 2020, February 28, 2021 and February 28, 2022). On each vested day, employee is entitled to a 25% share appreciation right. In addition, the share appreciation rights are determined by the share price of GlobalWafers on each vested day and individual performance.

As of December 31, 2020 and 2019, the price of GlobalWafers stock was NT$ 708 and NT$ 382.5, respectively. For the years ended December 31, 2020 and 2019, the Group recognized the compensation cost amounting to $164,352 thousand and $92,739 thousand, respectively.

(21) Earnings per Share

A. Basic earnings per share

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

B. Diluted earnings per share

	2020	2019
Net income attributable to the shareholders of the Company	$ 6,326,235	2,248,386
Weighted average number of ordinary shares outstanding (in thousands of shares)	584,916	583,210
Effect of dilutive potential ordinary shares	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 dollar)	$ 10.71	3.83

(22) Revenue from contracts with customers

A. Details of revenues

	2020			2019		
	Semiconductor Segment	**Solar energy Segment**	**Total**	**Semiconductor Segment**	**Solar energy Segment**	**Total**
Primary geographical markets:						
Taiwan	$ 10,729,031	1,955,101	12,684,132	12,568,540	1,721,425	14,289,965
Northeast Asia (Japan and Korea)	16,824,092	368,421	17,192,513	17,852,401	1,104,253	18,956,654
Asia-other	11,011,666	571,993	11,583,659	9,100,112	1,311,136	10,411,248
America	7,231,434	1,423,332	8,654,766	8,410,577	1,511,115	9,921,692
Europe	7,218,230	1,221,226	8,439,456	7,165,983	1,697,439	8,863,422
Other areas	2,334,142	508,631	2,842,773	2,992,340	74,904	3,067,244
	$ 55,348,595	**6,048,704**	**61,397,299**	**58,089,953**	**7,420,272**	**65,510,225**
Major product categories						
Semiconductor wafers	$ 55,138,940	7,005	55,145,945	57,721,510	-	57,721,510
Solar cell	-	1,937,190	1,937,190	-	2,877,421	2,877,421
Solar module	-	1,593,096	1,593,096	-	1,553,577	1,553,577
Solar ingot	-	928,837	928,837	-	792,922	792,922
Semiconductor ingot	113,541	-	113,541	275,284	-	275,284
Solar wafer	-	170,789	170,789	-	144,716	144,716
Others	96,114	1,411,787	1,507,901	93,159	2,051,636	2,144,795
	$ 55,348,595	**6,048,704**	**61,397,299**	**58,089,953**	**7,420,272**	**65,510,225**

B. Contract balances

	December 31, 2020	**December 31, 2019**	**January 1, 2019**
Notes and accounts receivable (including related parties)	**$ 8,404,570**	**8,502,200**	**9,874,500**
Contract liabilities	**$ 17,896,112**	**21,409,237**	**20,374,971**

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 $3,581,457 thousand and $2,310,280 thousand, respectively.

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

(23) 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 during the shareholders' meeting. In case the Company has an accumulated loss, it should reserve amounts to make up the losses prior to distributing remuneration to the employees and directors 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 remuneration 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 there would be any changes in accounting estimates, the changes shall be accounted for as profit or loss in the following year. If, however, the shareholders determine that the employee remuneration is to be distributed through share dividends, the calculation, based on the shares, shall be calculated using the share 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 2020 and 2019 consolidated 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.

(24) Other income

		2020	2019
Interest income from bank deposits	$	250,425	745,979
Interest income from financial assets measured at amortized cost		9,450	11,753
	$	**259,875**	**757,732**

(25) Other gains and losses

		2020	2019
Dividend income	$	13,216	9,477
Foreign exchange losses		(500,736)	(235,553)
Gains (losses) on financial assets (liabilities) measured at fair value through profit or loss		1,463,187	91,818
Reversal (recognition) of impairment loss on financial assets measured at amortized cost (notes 6(4) and 7)		22,519	(25,973)
Gain on disposal of investees (note 6(9))		34,165	72,584
Others		145,134	233,500
	$	**1,177,485**	**145,853**

(26) 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 (losses) on financial assets at fair value through other comprehensive income		728,216	276,597
	$	**731,896**	**269,600**

(27) 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 Group are from the solar and silicon wafer industries. The Group generally sets credit limits to its customers according to their credit evaluations. Therefore, the credit risk of the Group is mainly influenced by the solar and silicon wafer industry. As of December 31, 2020 and 2019, 45% and 53%, respectively, of the Group’s accounts receivable (including related parties) were from the top 10 customers. Although there is a potential for concentration of credit risk, the Group routinely assesses the collectability of the accounts receivable and makes a corresponding allowance for doubtful accounts.

(c) Credit risks of receivables and debt securities

For credit risk exposure of notes and trade receivables, please refer to note 6(5). Other financial assets at amortized cost includes other receivables and investments in corporate bonds. For impairment loss on 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(7) regarding how the Group 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	Over 5 years
December 31, 2020							
Non-derivative financial liabilities							
short-term borrowings	$ 10,771,000	(10,781,301)	(10,280,497)	(500,804)	-	-	-
Notes and accounts payable (including related parties)	4,204,394	(4,204,394)	(4,204,394)	-	-	-	-
Long-term borrowings (including current portion)	1,080,816	(1,198,948)	(22,969)	(22,969)	(45,938)	(137,814)	(969,258)
Current and non-current lease liabilities	846,073	(911,801)	(76,536)	(68,052)	(120,194)	(237,241)	(409,778)
Dividends payable	3,751,986	(3,751,986)	(3,751,986)	-	-	-	-
Accrued remuneration of directors (recorded under other current liabilities)	103,420	(103,420)	(103,420)	-	-	-	-
Payroll and bonus payable	3,183,647	(3,183,647)	(3,183,647)	-	-	-	-
Derivative financial liabilities							
Swap exchange contracts:							
Outflows	34,281	(2,31	(2,31	-	-	-	-
Inflows	-	2,277,199	2,277,199	-	-	-	-
Forward exchange contracts:							
Outflows	-	(6,241,053)	(6,241,053)	-	-	-	-
Inflows	40,684	6,281,737	6,281,737	-	-	-	-
	$ 24,016,301	(24,129,094)	(21,617,046)	(591,825)	(166,132)	(375,055)	(1,379,036)

	Carrying Amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years or more	Over 5 years
December 31, 2019							
Non-derivative financial liabilities							
short-term borrowings	$ 11,465,075	(11,490,667)	(11,490,667)	-	-	-	-
Notes and accounts payable (including related parties)	4,179,695	(4,179,695)	(4,179,695)	-	-	-	-
Long-term borrowings	-	-	-	-	-	-	-
Current and non-current lease liabilities	931,397	(993,458)	(92,567)	(97,254)	(115,633)	(688,004)	-
Derivative financial liabilities							
Swap exchange contracts:							
Outflows	68	(90,465)	(90,465)	-	-	-	-
Inflows	-	90,075	90,075	-	-	-	-
Forward exchange contracts:							
Outflows	209,712	(6,745,031)	(6,745,031)	-	-	-	-
Inflows	-	6,535,319	6,535,319	-	-	-	-
	$ 16,785,947	(16,873,922)	(15,973,031)	(97,254)	(115,633)	(688,004)	-

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

	December 31, 2020		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary Items			
USD	$ 538,244	28.480	15,329,189
JPY	897,515	0.2763	247,983
EUR	44,556	35.020	1,560,351
Non-monetary items			
USD	19,900	28.480	Note
JPY	15,295,381	0.2763	Note
EUR	111	35.020	Note

	December 31, 2020		
	Foreign currency	**Exchange rate**	**NTD**
Financial liabilities			
Monetary Items			
USD	333,232	28.480	9,490,447
JPY	25,397,758	0.2763	7,017,401
EUR	17,754	35.020	621,754
Non-monetary items			
USD	86,760	28.480	Note
JPY	5,000,000	0.2763	Note

	December 31, 2019		
	Foreign currency	**Exchange rate**	**NTD**
Financial assets			
Monetary Items			
USD	$ 488,134	29.980	14,634,257
JPY	259,534	0.2760	71,631
EUR	14,666	33.590	492,631
Non-monetary items			
USD	22,238	29.980	Note
JPY	2,632,949	0.2760	Note
EUR	3,508	33.590	Note
Financial liabilities			
Monetary Items			
USD	42,249	29.980	1,266,625
JPY	2,413,109	0.2760	666,018
EUR	18,246	33.590	612,883
Non-monetary items			
USD	4,650	29.980	Note
JPY	18,050,000	0.2760	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 Group'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, long and short-term loans, 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 $79 thousand and $126,530 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

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by an aggregate amount. For the years of 2020 and 2019, foreign exchange losses (including realized and unrealized portions) amounted to $500,736 thousand and $235,553 thousand, respectively.

D. Interest rate analysis

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

The following sensitivity analysis is based on the exposure to interest rates. Regarding liabilities with variable 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 Group's net income before income tax would have increased or decreased by $20,670 thousand and $22,580 thousand, for the years ended December 31, 2020 and 2019, respectively, assuming all other variable factors remain constant. This is mainly due to the Group'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 at the reporting date	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 5%	$ 24,232	280,216	16,609	93,833
Decreasing 5%	(24,232)	(280,216)	(16,609)	(93,833)

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 Group'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 measured at fair value through gain or loss-current					
Forward exchange contract	$ 52,356	-	52,356	-	52,356
Overseas securities held	5,604,312	5,604,312	-	-	5,604,312
Subtotal	**$ 5,656,668**	**5,604,312**	**52,356**	**-**	**5,656,668**
Financial assets at fair value through profit or loss－non-current	**$ 117,204**	**-**	**-**	**117,204**	**117,204**
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 101,475	101,475	-	-	101,475
Non-public offer equity instrument measured at fair value	383,155	-	-	383,155	383,155
	$ 484,630	**101,475**	**-**	**383,155**	**484,630**
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 23,812,590	-	-	-	-
Notes and accounts receivable (including related parties)	8,407,409	-	-	-	-
Other financial assets－current and non-current	5,894,642	-	-	-	-
Corporate bonds－current subtotal	277,895	-	277,895	-	277,895
Subtotal	**$ 38,392,536**	**-**	**277,895**	**-**	**277,895**
Financial liabilities measured at fair value through profit or loss					
Forward exchange contracts	$ 11,672	-	11,672	-	11,672
Swap exchange contracts	34,281	-	34,281	-	34,281
Subtotal	**$ 45,953**	**-**	**45,953**	**-**	**45,953**

	December 31, 2020				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost:					
Short-term borrowings	$ 10,771,000	-	-	-	-
Notes and accounts payable (including related parties)	4,204,394	-	-	-	-
Long-term borrowings (including current portion)	1,080,816	-	-	-	-
Current and non-current lease liabilities	846,073	-	-	-	-
Subtotal	$ 16,902,283	-	-	-	-

	December 31, 2019				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through gain or loss-current					
Forward exchange contract	$ 6,920	-	6,920	-	6,920
Overseas securities held	1,876,656	1,876,656	-	-	1,876,656
Subtotal	$ 1,883,576	1,876,656	6,920	-	1,883,576
Financial assets at fair value through profit or loss－non-current	$ 95,163	-	-	95,163	95,163
Financial assets at fair value through other comprehensive income					
Non-public offer equity instrument measured at fair value	$ 332,185	-	-	332,185	332,185
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 34,901,425	-	-	-	-
Notes and accounts receivable (including related parties)	8,507,214	-	-	-	-
Other financial assets－current and non-current	4,054,629	-	-	-	-
Corporate bonds－current and non-current	507,680	-	507,680	-	507,680
Subtotal	$ 47,970,948	-	507,680	-	507,680
Financial liabilities measured at fair value through profit or loss					
Swap exchange contracts	$ 68	-	68	-	68
Forward exchange contracts	216,632	-	216,632	-	216,632
Subtotal	$ 216,700	-	216,700	-	216,700
Financial liabilities measured with amortized costs					
short-term borrowings	$ 11,465,075	-	-	-	-
Notes and accounts payable (including related parties)	4,179,695	-	-	-	-
Current and non-current lease liabilities	931,397	-	-	-	-
Subtotal	$ 16,576,167	-	-	-	-

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

The Group'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 Group 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 technology, including the calculation with the model and the market information available on the consolidated 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 Group 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 is 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 on the forward currency exchange rate.

(d) Reconciliation of Level 3 fair value

The Group'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 at fair value through profit or loss	Financial assets at fair value through other comprehensive income
Balance at January 1, 2020	$ 95,163	332,185
Addition	29,064	-
Recognized in profit or loss	(7,023)	-
Recognized in other comprehensive income	-	82,139
Refund	-	(12,561)
Effect of changes in exchange rate	-	(18,608)
Balance at December 31, 2020	**$ 117,204**	**383,155**
Balance at January 1, 2019	$ 64,697	487,504
Addition	31,195	1,636
Recognized in profit or loss	(729)	-
Recognized in other comprehensive income	-	(119,960)
Refund	-	(28,239)
Effect of changes in exchange rate	-	(8,756)
Balance at December 31, 2019	**$ 95,163**	**332,185**

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

The Group'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 use a single significant unobservable input. Equity investments without an active market contain 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 was as follows:

Item	**Valuation technique**	**Significant unobservable inputs**	**Relationship between significant unobservable inputs and fair value**
Financial assets at fair value through other comprehensive income equity investments without an active market	Comparable listed companies approach	· Equity value multiplier (as of December 31, 2020 and December 31, 2019 2.27%~18.90% and 0.73%~18.08%, respectively) · Market liquidity discount rate (December 31, 2020 and December 31, 2019 were 28% and 22.45%~28%, respectively)	· The higher the multiplier, the higher the fair value · The higher the lack of market liquidity, the lower the fair value

(d) The fair value of the Group's financial instruments that use Level 3 inputs to measure fair value was based on the price of the third party. The Group 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 Group.

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

(28) Financial risk management

A. Overview

The Group has exposures to the following risks from its financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Group'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 consolidated 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 Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(a) Accounts receivables and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group'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 Group's benchmark creditworthiness may transact with the Group 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 Group's finance department. As the Group 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 Group does not have compliance issues and no significant credit risk.

(c) Guarantee

According to the Group's policy, the Group can only provide endorsements for companies with business dealing, the companies directly or indirectly owned more than 50% shares with voting right by the Group, or the companies directly or indirectly owned more than 50% shares with voting right of the Group. As of December 31, 2020 and 2019 the Group 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 Group has sufficient capital and working capital to fulfill contract obligations.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2020 and 2019, the Group's unused credit lines were $22,021,439 thousand and $28,830,716 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 Group'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 Group is exposed to currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollar (NTD), but also include the Chinese Yen (CNY), US Dollar (USD), Japanese Yen (JPY) and Euro (EUR). 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 Group, primarily NTD, but also include USD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group 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 Group holds variable-rate assets and liabilities, which cause the exposure to interest rate risk in cash flows.

(c) Price floating risk on equity instruments

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

Information on the risk was disclosed in note 6(27).

(29) 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 Group. The board of directors monitors the return on capital as well as the level of dividends to ordinary stockholders.

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

	December 31, 2020	December 31, 2019
Total liabilities	$ 60,283,299	60,767,455
Less: cash and cash equivalent	(23,812,590)	(34,901,425)
Net debts	**$ 36,470,709**	**25,866,030**
Total equity	**$ 49,669,482**	**48,616,041**
Debt-to-equity ratio	**73.43 %**	**53.20 %**

The increase in financial assets and the decrease in cash and cash equivalents, resulted in the debt-to-equity ratio to increase as at December 31, 2020.

(30) Cash flow information

The Group'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(11).

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2020	Cash flows	Foreign exchange movement and others	December 31, 2020
Short-term borrowings	$ 11,465,075	676,375	(1,370,450)	10,771,000
Long-term borrowings	-	(237,741)	1,318,557	1,080,816
Lease liabilities	931,397	(198,464)	113,140	846,073
Guarantee deposit received	193,495	(156,243)	(1,443)	35,809
Total liabilities from financing activities	**$ 12,589,967**	**83,927**	**59,804**	**12,733,698**

	January 1, 2019	Cash flows	Foreign exchange movement and others	December 31, 2019
Short-term borrowings	$ 9,334,809	2,163,041	(32,775)	11,465,075
Long-term borrowings	2,040,200	(2,040,200)	-	-
Lease liabilities	1,179,268	(201,027)	(46,844)	931,397
Guarantee deposit received	342,861	(145,179)	(4,187)	193,495
Total liabilities from financing activities	**$ 12,897,138**	**(223,365)**	**(83,806)**	**12,589,967**

7. Related-party transactions:

(1) Names and relationships of related parties

The followings are entities that have had transactions with the Group during the periods covered in the consolidated financial statements:

Names of related parties	Relationship with the Group
United Renewable Energy Co., Ltd ("URE")	Main management of SAS. (Note 2)
Song Long Electronics Corporation ("Song Long Electronics")	SAS's management is the director of the Company
Actron Technology	SAS's management is the director of the company/ An associate of the Group
Accu Solar Corporation	An associate of the Group
Crystalwise Technology Inc.	An associate of the Group
Cathay Sunrise	An associate of the Group (Note 3)
ADVANCED WIRELESS SEMICONDUCTOR COMPANY	An associate of the Group

Names of related parties	**Relationship with the Group**
Cathay Sunrise One Co., Ltd.	Subsidiary of associates (Note 3)
Cathay Sunrise Two Co., Ltd.	Subsidiary of associates (Note 3)
Cathay Sunrise Electric Power One Co., Ltd.	Subsidiary of associates (Note 3)
Cathay Sunrise Electric Power Two Co., Ltd.	Subsidiary of associates (Note 3)
Sunrise PV One Co., Ltd.	Subsidiary of associates (Note 3)
Sunrise PV Five Co., Ltd.	Subsidiary of associates (Note 1 and 3)

Note 1: Sunrise PV Five Co., Ltd. was sold to Cathay Sunrise in March 2019.

Note 2: URE has ceased to be a related party after the re-election of the Board of Directors' members in June 2020.

Note 3: Due to the transfer and disposal of Cathay Sunrise Corporation on October 23, 2020, the entity ceased to be a related party.

(2) Significant transactions with related parties

A. Sales

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

	2020	**2019**
Associates	$ 594,004	918,154
Other related parties	74,920	120,007
	$ 668,924	**1,038,161**

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

As of December 31, 2020 and 2019, the credit terms for third parties were 0 to 60 days after month-end and 0 to 210 days, respectively. While those for related parties were receipt in advance to 30 days after month-end, and 30 days after month-end to 180 days after shipment.

B. Purchase and process outsourcing

The amounts of purchases and process outsourcing by the Group from related parties were as follows:

	2020	**2019**
Associates	$ 34,742	79
Other related parties	2,309	11,248
	$ 37,051	**11,327**

The prices of purchases and process outsourcing were determined by market rates.

As of December 31, 2020 and 2019, the payment terms to third parties were 0 to 120 days after month-end and 0 to 150 days after month-end, respectively. In contrast, those to related parties were prepayment to 30 days after month-end and repayment to 90 days after month-end, respectively.

C. Receivables from related parties

The receivables from related parties were as follows:

Items	Categories	December 31, 2020	December 31, 2019
Receivables from related parties	Associate	$ 72,414	61,303
Receivables from related parties	Other related parties	-	6,648
		$ 72,414	**67,951**

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 Group, 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. Payables to related parties

The payables to related parties were as follows:

Items	Categories	December 31, 2020	December 31, 2019
Receivables from related parties	Associate	**$ 273**	**7,052**

E. Transactions 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**
Associates	**$ 3,750**	**-**	**35,616**	**4,859**

For the years ended December 31, 2020 and 2019, the gain on disposal of property, plant and equipment amounted to $3,750 thousand and $1,006 thousand, respectively.

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**
Associates	$ 915,398	21,503	-	-

F. Corporate bonds

In October 2016 and January 2019, the Group purchased the five-year private issued corporate bonds and the one-year private issued corporate bonds of Crystalwise Technology, by $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.

G. Lease

The details of the lease rental contract between the Group and its related parties were as follows:

	2020	**2019**
Associates	$ 15,004	310

The Group leased its plant to associates. As of December 31, 2020 and 2019, the Group had received the full lease payment.

H. Payment and advances from other

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

	December 31, 2020	**December 31, 2019**
Associates	$ 2,839	155
Associates	(76)	(956)
	$ 2,763	**(801)**

(3) Key management personnel compensation

Key management personnel compensation comprised of:

	2020	2019
Short-term employee benefits	$ 544,524	380,118
Post-employment benefits	1,190	1,460
Share-based payment	-	14,844
	$ 545,714	396,422

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
Property, plant and equipment	Long-term and short-term borrowings and credit lines	$ 3,093,503	3,155,429
Time deposits (recognized in other financial assets－current)	Guarantees of acceptances bill	17,423	39,977
Time deposits (recognized in other financial assets－non-current)	Guarantee for the lease contract with the Hsinchu Science Park Bureau	51,877	48,571
Time deposits (recognized in other financial assets－non-current)	Guarantee for gas consumption from CPC Corporation	2,000	6,700
Time deposits (recognized in other financial assets－non-current))	Government grant	-	2,353
Time deposits (recognized in other financial assets－non-current))	Guarantee payment for import VAT	5,000	5,000
Time deposits (recognized in other financial assets－non-current))	Court guarantee	-	10,748
Time deposits (recognized in other financial assets－non-current))	Guarantee for bank financing projects	142,400	-
Time deposits (recognized in other financial assets－non-current))	Court litigation	21,620	22,020
		$ 3,333,823	3,290,798

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	$ 848,895	942,387
EUR	$ 21,556	3,779
JPY	$ 505,362	-

Silicon supplier Hemlock Semiconductor Pte. Ltd. (hereinafter referred to as Hemlock) sent a notice requesting that Sino-American Silicon Products Inc.'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 was 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 silicon wafer long-term sales contracts signed with the customers since the year 2005. These companies agree to pay the non-refundable funds to the Company. The two parties agreed to have silicon wafers sold in accordance with the agreed quantity and price from January 1, 2006 to December 31, 2019. If the delivery has not been made in compliance with the contract signed, a sales discount or an amount equivalent to 1.5-4 times of the 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	$ 19,632	29,852
EUR	$ 28,394	25,695
TWD	$ -	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 $1,894,847 thousand and $6,669,493 thousand, respectively.

D. As of December 31, 2020 and 2019, the total amount of promissory notes deposited by the Group at the bank for acquiring bank financing were $12,015,760 thousand and $12,869,060 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 $19,700 thousand and $23,230 thousand, respectively.

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

(Unit: currency in thousands)

	December 31, 2020	December 31, 2019
USD	$ 10,326	10,269

G. The Group had a long term sales contract with some customers and received the advance payment. The customer is required to order minimum quantity according to the contract. As of December 31, 2020 and 2019, a guarantee letter for the customer which was the Group requested a bank to issue amounted $88,651 thousand and $111,871 thousand, respectively.

H. The Group has made an application of the Management, Utilization, and Taxation of Repatriated Offshore Funds Act to the tax authorities on November 28, 2019 and February 21, 2020. The application was approved and the fund was repatriated. Up to 5% of the funds could be withdrawn and freely utilized. The remaining 95% can only be withdrawn for the investments approved by the Ministry of Economic Affairs, R.O.C. upon the elapse of five full years after the date of depositing the fund into a segregated foreign exchange deposit account. The Group has made an application to utilize the fund for capital investment. The fund is planned to utilize for factory extension, purchase of factory’ s facilities and other related capital expenditure. The Group has applied to the Ministry of Economic Affairs for substantial investments that were expected to be used for plant expansion and capital expenditure. As of December 31, 2020 and 2019, the balance of the account was $5,491,302 and $2,998,120, respectively, and recognized as other current and non-current financial assets.

I. GlobalWafers Co., Ltd.’s board resolved to acquire Siltronic AG outstanding shares at EUR125 per share on December 9, 2020. The business combination with Siltronic AG would maximize the shareholders benefits. GlobalWafers Co., Ltd. and Siltronic AG signed a business combination agreement on December 10, 2020, wherein the Group issued a EUR50 million letter of payment guarantee through the bank.

The Company also signed an irrevocable undertaking agreement with Wacker Chemie AG (Wacker Chemie). It was approved by German Federal Financial Supervisory Authority (BaFin) on December 21, 2020, to publish the offer document outlining terms of the voluntary public takeover offer for the acquisitions of all no par value registered shares in Siltronic AG.

On January 22, 2021, the final offer price was adjusted to EUR145 per share, and the acceptance period of takeover offer was due on March 1, 2021. The Group signed the letter of payment guarantee with an amount up to EUR4.2 billion (equivalent to acquisition consideration) through the bank. The closing of acquisition remains subject to receipt of further regulatory approvals.

(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 2019 to further extend the extension to December 31, 2019. 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 loss-making contract liabilities. As of December 31, 2020, the above-mentioned provision for loss-making contract liabilities amounted to $3,922,815 thousand.

10. Losses due to major disasters: None.

11. Subsequent Events: Please refer to note 9 for information of the Group's acquisition of Siltronic AG.

12. Other:

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	7,943,819	2,483,724	10,427,543	7,483,089	2,654,512	10,137,601
Labor and health insurance	1,120,879	209,763	1,330,642	1,275,343	291,481	1,566,824
Pension	316,562	80,886	397,448	419,537	91,579	511,116
Others employee benefits expenses	159,206	50,174	209,380	626,980	133,916	760,896
Depreciation	5,598,290	192,912	5,791,202	4,827,331	203,095	5,030,426
Amortization	347,433	9,062	356,495	358,628	6,202	364,830

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 Group:

A. Loans to other parties: Please refer to Table 1.

B. Guarantees and endorsements for other parties: Please refer to Table 2.

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

D. 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.

E. 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.

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

G. 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.

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

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

J. Business relationships and significant intercompany transactions: Please refer to Table 8.

(2) Information on investees: Please refer to Table 9.

The following is the information on investees for the years ended December 31, 2020 (excluding information on investees in Mainland China):

(3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products and other information: Please refer to Table 10(1).

B. Limitation on investment in Mainland China: Please refer to Table 10(2).

C. 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:

(1) Operating segments

The Group's operating segment information and reconciliations were as follows:

	2020			
	Semiconductor segment	Solar energy segment	Reconciliation and elimination	Total
Revenues:				
Revenue from external customers	$ 55,348,595	6,048,704	-	61,397,299
Intersegment revenues	5,954	1,109,135	(1,115,089)	-
Total revenue	**$ 55,354,549**	**7,157,839**	**(1,115,089)**	**61,397,299**
Interest expenses	**$ 73,656**	**32,283**	**-**	**105,939**
Depreciation and amortization	**$ 5,519,586**	**628,111**	**-**	**6,147,697**
Reportable segment profit or loss	**$ 13,066,106**	**(329,716)**	**-**	12,736,390
Share of profit (loss) of associates and joint ventures accounted for using equity method				(25,328)
				$ 12,711,062
Reportable segment assets	**$ 92,445,122**	**10,583,163**	**(234,315)**	102,793,970
Equity method investments				7,158,811
				$ 109,952,781
Reportable segment liabilities	**$ 50,660,189**	**9,857,425**	**(234,315)**	**60,283,299**

	2019			
	Semiconductor segment	Solar energy segment	Reconciliation and elimination	Total
Revenues:				
Revenue from external customers	$ 58,089,953	7,420,272	-	65,510,225
Intersegment revenues	4,378	877,825	(882,203)	-
Total revenue	**$ 58,094,331**	**8,298,097**	**(882,203)**	**65,510,225**
Interest expenses	**$ 71,714**	**78,693**	**-**	**150,407**
Depreciation and amortization	**$ 4,734,770**	**660,486**	**-**	**5,395,256**
Reportable segment profit or loss	**$ 13,635,656**	**(4,395,881)**	**-**	9,239,775
Share of profit (loss) of associates and joint ventures accounted for using equity method				(344,430)
				$ 8,895,345
Reportable segment assets	**$ 96,013,824**	**10,368,378**	**(247,243)**	106,134,959
Equity method investments				3,248,537
				$ 109,383,496
Reportable segment liabilities	**$ 51,512,503**	**9,502,195**	**(247,243)**	**60,767,455**

(2) Products and services information

For the Group's revenue from external customers and the relevant customer contract revenue, please refer to note 6(25).

(3) Geographical information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

Segment revenue is presented by the geographical location of customers and non-current assets are presented by the geographical location of the assets as follows:

A. For the Group's revenue from external customers and the relevant customer contract revenue, please refer to note 6(25).

B. Non-current assets:

Geographical information	**December 31, 2020**	**December 31, 2019**
Korea	$ 15,931,775	12,564,394
Taiwan	8,808,936	9,403,083
United States	7,789,564	8,621,899
Japan	6,960,047	6,989,861
Italy	3,259,943	3,382,102
Philippines	1,905,971	2,124,841
Other countries	2,035,542	1,947,597
	$ 46,691,778	**45,033,777**

(4) Major customers information

Sales to individual customers representing greater than 10% of net sales of the Group:

	2020	**2019**
Group C	**$ 10,936,309**	**10,253,312**

Sino-American Silicon Products Inc. and Subsidiaries
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 Item	Collateral Value	Individual funding loan limits (Note 2 and 3)	Maximum limit of fund financing (Note 2 and 3)
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
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))

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 and 3)	Maximum limit of fund financing (Note 2 and 3)
													Item	Value		
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	1.20%	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	1.20%	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 fund-lendings 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 one-year 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 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. and Subsidiaries

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. and Subsidiaries

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				Highest Percentage of ownership (%) during the year	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 %	-	2.31 %	
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	1.61 %	
Sino-American Silicon Products Inc.	Stock of Big Sun	None	Financial assets at fair value through other comprehensive income	7,500	-	3.72 %	-	4.12 %	
SSTI	Stock of SILFAB SPA	None	Financial assets at fair value through other comprehensive income	300	377,060	15.00 %	377,060	15.00 %	
Sino-American Silicon Products Inc.	Stock of SONGLONG ELECTRONICS CO., LTD.	Sino-American Silicon Products Inc.'s management is the director of the company	Financial assets at fair value through profit or loss－non-current	221	-	13.81 %	-	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 %	-	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	3.85 %	
GlobalWafers	Siltronic AG	None	Financial assets at fair value through profit or loss－current	650	2,915,940	2.17 %	2,915,940	2.17 %	
GlobalWafers	WT Microelectronics Co., Ltd.	None	Financial asset at fair value through other comprehensive income	2,518	101,475	0.32 %	101,475	0.32 %	
GWBV	Siltronic AG	None	Financial assets at fair value through profit or loss－current	600	2,688,372	2.00 %	2,688,372	2.00 %	

Sino-American Silicon Products Inc. and Subsidiaries

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	1,865,577	238,169	-	2,688,372
GlobalWafers	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. and Subsidiaries

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: Owner	Relationship with the Company	Date of transfer	Amount	References for determining price	Purpose of acquisition and current condition	Others
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. and Subsidiaries

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)

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)	
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 Note 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)	(2)%	Note 2
GWJ	GlobalWafers	Indirectly held subsidiaries	Purchase	1,636,285	7 %	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 Products Inc.	Purchase	224,053	1 %	Net 60 days from the end of the next month upon issuance of invoice	-	-	(72,414)	(2)%	Note 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)	-	Note 2
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	-	-	-	-	Notes 1 and 2

Note1: After merging with Taisil, GlobalWafers became the existing company and Taisil became the dissolved entity on February 1, 2020.
Note2: Transactions with standalone parties as mentioned above were eliminated when preparing the standalone reports.

Sino-American Silicon Products Inc. and Subsidiaries

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	-	-	211,696	-
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	-	-	163,372	-
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. and Subsidiaries
Business relationships and significant intercompany transactions
For the year ended December 31, 2020

Table 8 (In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3,4)
0	GlobalWafers	Sino-American Silicon Products Inc.	2	Purchase	1,061,951	Net 30 days from the end of the next month upon issuance of invoice	1.73%
0	GlobalWafers	GTI	3	Purchase	1,839,483	Net 60 days from the end of the month upon issuance of invoice	3.00%
0	GlobalWafers	SST	3	Purchase	1,784,471	Net 60 days from the end of the month upon issuance of invoice	2.91%
0	GlobalWafers	GWJ	3	Purchase	6,762,615	Net 60 to 90 days from the end of the month upon issuance of invoice	11.01%
0	GlobalWafers	GWJ	3	Account payable	1,921,983	Net 60 to 90 days from the end of the month upon issuance of invoice	1.75%
0	GlobalWafers	Topsil A/S	3	Purchase	611,544	Net 30 to 60 days from the end of the month upon issuance invoice	1.00%
0	GlobalWafers	GTI	3	Sale	3,207,527	Net 45 days from the end of the month upon issuance of invoice	5.22%
0	GlobalWafers	SST	3	Sale	1,021,817	Net 30 days from the end of the month upon issuance of invoice	1.66%
0	GlobalWafers	GWJ	3	Sale	1,636,285	Net 60 to 90 days from the end of the month upon issuance of invoice	2.67%
0	GlobalWafers	GWS	3	Sale	5,988,654	Net 60 days from the end of the month upon issuance of invoice	9.75%
0	GlobalWafers	MEMC Korea	3	Sale	1,406,486	Net 60 days from the end of the month upon issuance of invoice	2.29%
0	GlobalWafers	MEMC SpA	3	Sale	686,585	Net 60 days from the end of the month upon issuance of invoice	1.12%
1	GWS	MEMC LLC	3	Purchase	1,187,475	Net 60 days from the end of the month upon issuance of invoice	1.93%
1	GWS	MEMC SpA	3	Purchase	3,709,365	Net 60 days from the end of the month upon issuance of invoice	6.04%
1	GWS	MEMC SpA	3	Sale	3,427,302	Net 60 days from the end of the month upon issuance of invoice	5.58%
1	GWS	MEMC Korea	3	Purchase	1,335,476	Net 60 days from the end of the month upon issuance of invoice	2.18%
1	GWS	MEMC Japan	3	Sale	1,506,205	Net 60 days from the end of the month upon issuance of invoice	2.45%
1	GWS	MEMC Japan	3	Purchase	4,271,761	Net 60 days from the end of the month upon issuance of invoice	6.96%
1	GWS	MEMC Sdn Bhd	3	Purchase	1,703,149	Net 60 days from the end of the month upon issuance of invoice	2.77%

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3,4)
2	GWS	MEMC Sdn Bhd	3	Sale	666,932	Net 60 days from the end of the month upon issuance of invoice	1.09%
2	GWJ	GlobalWafers	3	Intercompany loan	1,923,567	-	1.75%

Note 1: The characters of business transactions between parent company and its subsidiaries are coded as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relationships with transactions are as follows:

(1) Parent company to its subsidiaries.
(2) Subsidiaries to the parent company.
(3) Transactions between subsidiaries.

Note 3: The ratio of the transaction amount of the consolidated total sales revenue and consolidated total assets are calculated as follows:

(1) For transaction amount accounted for as asset or liability, the ratio is calculated based on the closing balance amount of the consolidated total assets.
(2) For transaction amount accounted for as profit or loss, the ratio is calculated based on the accumulated amount at the end of the financial period of the consolidated total sales revenue.

Note 4: The table represented the amount of significant transaction exceeding 1 percent of the consolidated operating revenue or total assets.

Sino-American Silicon Products Inc. and Subsidiaries
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 December 31, 2020	Original investment amount December 31, 2019	Balance as of December 31, 2020 Shares (thousand)	Balance as of December 31, 2020 Percentage of Ownership	Balance as of December 31, 2020 Carrying value	Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
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	100.00 %	18,959	18,959	Subsidiary Note5
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	51.17 %	3,103,614	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	100.00 %	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	100.00 %	(73,824)	(73,824)	Subsidiary
Sino-American Silicon Products Inc.	Sunrise PV World Co.	Taiwan	Electricity activities	-	300,000	-	-	-	100.00 %	1,674	1,674	Subsidiary Note 4
Sino-American Silicon Products Inc.	Sunrise PV five	Taiwan	Electricity activities	-	1,000	-	-	-	100.00 %	(143)	(11)	Subsidiary Note 4
Sino-American Silicon Products Inc.	Sunrise PV Three	Taiwan	Electricity activities	15,000	-	1,500	100.00 %	16,184	100.00 %	900	900	Subsidiary
Sino-American Silicon Products Inc.	SAS	Taiwan	Investment activities	250,000	-	25,000	100.00 %	249,972	100.00 %	(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	41.94 %	(133,395)	(83,080)	Associate Note 2

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount December 31, 2020	Original investment amount December 31, 2019	Balance as of December 31, 2020 Shares (thousand)	Balance as of December 31, 2020 Percentage of Ownership	Balance as of December 31, 2020 Carrying value	Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
Sino-American Silicon Products Inc.	Accu Solar Corporation	Taiwan	Solar energy system provider	112,193	112,193	7,452	24.70 %	54,079	24.70 %	2,117	(10,896)	Associate
Sino-American Silicon Products Inc.	Cathay Sunrise	Taiwan	Electricity activities	-	450,000	-	-	-	30.00 %	99,734	24,480	Notes 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	30.93 %	(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	21.31 %	176,875	56,032	Associate Note 2
Sino-American Silicon Products Inc.	Advanced Wireless Semiconductor Company	Taiwan	Gallium arsenide wafer manufacturing and trade	3,496,500	-	45,000	22.53 %	3,508,513	22.53 %	622,863	12,013	Associate Note 2
Sunrise PV World Co.	Sunrise PV Three	Taiwan	Electricity activities	-	15,000	-	-	-	100.00 %	900	-	Subsidiary Note 4
Sunrise PV World Co.	Sunrise PV four	Taiwan	Electricity activities	-	15,000	-	-	-	100.00 %	859	-	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	100.00 %	(28,389)	-	Subsidiary Note 7
SAS Sunrise Inc.	Sulu	Philippines	Electricity activities	113,920 (USD4,000)	-	420,000	40.00 %	113,920	100.00 %	(91,124)	-	Subsidiary Note 7 and 9
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)	-	-	-	40.00 %	(91,124)	-	Subsidiary Note 7 and 9
AMLED	Sulu	Philippines	Electricity activities	297,229 (USD9,065)	297,229 (USD9,065)	472,500	45.00 %	132,897	45.00 %	(91,124)	-	Subsidiary Note 7
Aleo Solar	Aleo Solar Distribuzione Italia S.r.l	Italy	Solar module sale and wholesale of electronic materials	4,078 (EUR100)	4,078 (EUR100)	Note 1	100.00 %	1,016	100.00 %	(2,029)	-	Subsidiary Note 7
GlobalWafers	GWI	Cayman	Investment activities	1,427 (USD48)	2,241,668 (USD73,423)	0.01	100.00 %	1,823	100.00 %	22,123	-	Subsidiary Note 7

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount December 31, 2020	Original investment amount December 31, 2019	Balance as of December 31, 2020 Shares (thousand)	Balance as of December 31, 2020 Percentage of Ownership	Balance as of December 31, 2020 Carrying value	Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
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	100.00 %	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	100.00 %	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	100.00 %	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)	-	-	-	100.00 %	-	-	Subsidiary Note 7
GlobalWafers	HONG WANG Investment Co., Ltd.	Taiwan	Investment activities	309,760	309,760	30,976	30.98 %	1,202,176	30.98 %	118,931	-	Associate Note 7
GlobalWafers	Taisil	Taiwan	Manufacturing and trading of silicon wafers and sale	-	14,504,663	-	-	-	99.99 %	257,071	-	Subsidiary Note 7
GlobalWafers	Sunrise PV four	Taiwan	Electricity activities	1,045,000	-	104,500	100.00 %	1,045,944	100.00 %	859	-	Subsidiary Note 4 and 7
GlobalWafers	Sunrise PV five	Taiwan	Electricity activities	122,000	-	12,200	100.00 %	121,846	100.00 %	(143)	-	Subsidiary Note 3 and 7
GlobalWafers	GWH	Taiwan	Investment activities	250,000	-	25,000	100.00 %	249,935	100.00 %	(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	100.00 %	239,045	-	Subsidiary Note 3 and 7
Topsil A/S	Topsil PL	Poland Singapore	Manufacturing and trading of silicon wafers investment activities	-	-	0.1	100.00 %	-	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	100.00 %	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	100.00 %	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	100.00 %	1,017,366	-	Subsidiary Note 3 and 7
MEMC SpA	MEMC SarL	France	Trading	1,316 (USD40)	1,316 (USD40)	0.5	100.00 %	1,609	100.00 %	738	-	Subsidiary Note 3 and 7
MEMC SpA	MEMC GmbH	Germany	Trading	4,622 (USD141)	4,622 (USD141)	0.002	100.00 %	5,011	100.00 %	(17)	-	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			Highest Percentage of Ownership during the year	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				
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	100.00 %	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	100.00 %	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	100.00 %	(63)	-	Subsidiary Note 3 and 7
GWBV	Global Wafers GmbH	Germany	Trading	827 (USD27)	-	25	100.00 %	431	100.00 %	(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	100.00 %	120,147	-	Subsidiary Note 3 and 7
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	100.00 %	(171,320)	-	Subsidiary Noten3 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	100.00 %	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 Company on 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.

Note 8: The Company handled the transfer and delivery of Cathay on October 23, 2020.

Note 9: 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. and Subsidiaries

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: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2020	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership during the year	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
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%	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.