

WAFER WORKS CORP. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 and 2008
WITH
REPORT OF INDEPENDENT AUDITORS

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

REPORT OF INDEPENDENT AUDITORS
English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders
Wafer Works Corp.

We have audited the accompanying consolidated balance sheets of Wafer Works Corp. and its subsidiaries (the "Company") as of December 31, 2009 and 2008, the related consolidated statements of income, changes in equity, and cash flows for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Helitek Company Ltd. and Solargiga Energy Holdings Limited as of 2009 and 2008. Those financial statements were audited by other auditors whose reports have been furnished to us. The amounts related to Helitek Company Ltd. and Solargiga Energy Holdings Limited was based on the other auditors' reports. The consolidated financial statements of Helitek Company Ltd. and Solargiga Energy Holdings Limited with subsidiaries reflect total assets of NT 9,852,726 thousand dollars and NT 8,554,037 thousand dollars, representing 47.04% and 43.43% of the Company's consolidated total assets as of December 31, 2009 and 2008, respectively. And net revenues of NT 3,790,993 thousand dollars and NT 7,018,589 thousand dollars, representing 59.69% and 62.05% of the Company's consolidated net revenue for the years then ended in 2009 and 2008, respectively.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of China and "Guidelines for Certified Public Accountants' Examination and Reports on Financial Statements", which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements assessing the accounting principles used and significant estimates made by management, and evaluating the overall consolidated financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Wafer Works Corp. and its subsidiaries as of December 31, 2009 and 2008, and the results of their consolidated operations and their consolidated cash flows for the years ended December 31, 2009 and 2008 in conformity with requirements of the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally

accepted in the Republic of China.

As described in Note III to the financial statements, effective January 1, 2009. The Company has adopted the amendment of R.O.C Statement of Financial Accounting Standards No.10, “Accounting for inventories”. Effective from January 1, 2008, the Company adopted R.O.C. Statement of Financial Accounting Standards No.39 “Share-based payment” and Accounting Research and Development Foundation Interpretation No. 96-052 and recognized share-based employee bonuses and remunerations to directors and supervisors as expenses rather than as distribution of retained earnings.

March 19, 2010
Taipei, Taiwan
Republic of China

Notice to Readers

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

English Translations of Consolidated Financial Statements Originally Issued in Chinese

WAFER WORKS CORP. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2009 and 2008

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	2009	2008	LIABILITIES AND EQUITY	Notes	2009	2008
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	II&IV.1	\$2,363,665	\$3,785,204	Short-term loans	IV.9	\$4,510,824	\$3,732,616
Financial assets at fair value through profit or loss	II&IV.2	626	-	Short-term notes and bills payable	IV.10	239,854	-
Notes receivable-net	II&IV.3	269,331	157,043	Notes payable		244,805	-
Accounts receivable-net	II&IV.4	1,179,640	1,085,769	Accounts payable		592,756	489,104
Accounts receivable-related parties	V	446,595	54,850	Accounts payable-related parties	V	106,855	181,263
Other receivables	V	684,202	256,364	Income tax payable	II&IV.22	55,374	149,499
Inventories-net	II&IV.5	3,835,393	3,077,142	Accrued expenses	II&IV.13	245,182	390,252
Prepayment	V&VII	691,020	1,771,078	Financial liabilities at fair value through profit or loss	II&IV.2	1,283	78,934
Other current assets		40,711	42,065	Other payables	V	165,662	180,481
Deferred income tax assets	II&IV.22	26,871	67,259	Payable on equipment		76,632	240,221
Restricted cash	VI	239,036	209,996	Advance receipts	V&VII	246,413	340,772
Total current assets		<u>9,777,090</u>	<u>10,506,770</u>	Current portion of bonds payable	II&IV.11	12,634	866,604
				Current portion of long-term loans	IV.12&VI	72,337	91,008
FUNDS AND INVESTMENTS	II&IV.6			Other current liabilities		366,057	211,607
Financial assets in available-for-sale		366,817	-	Deferred income tax liability	II&IV.22	21,906	-
Financial assets measured at cost		-	225,607	Total current liabilities		<u>6,958,574</u>	<u>6,952,361</u>
Total funds and investments		<u>366,817</u>	<u>225,607</u>				
				LONG-TERM LIABILITIES			
PROPERTY, PLANT AND EQUIPMENT	II、IV.7、V、VI&VII			Long-term loans	IV.12&VI	<u>385,155</u>	<u>131,058</u>
Land		259,131	259,131				
Buildings		745,987	689,943	OTHER LIABILITIES			
Machinery and equipment		6,843,502	5,605,639	Accrued pension liabilities	II&IV.13	8,495	9,102
Transportation equipment		63,394	23,099	Deposits Received		-	18
Office equipments		157,038	156,252	Long-term unearned sales revenue	V&VII	691,149	802,197
Other equipments		374,278	371,173	Total Other Liabilities		<u>699,644</u>	<u>811,317</u>
Total cost		<u>8,443,330</u>	<u>7,105,237</u>	Total liabilities		<u>8,043,373</u>	<u>7,894,736</u>
Accumulated depreciation		(3,015,622)	(2,480,431)				
Accumulated impairment		(13,137)	(14,448)	SHAREHOLDERS' EQUITY			
Construction in progress		322,173	213,835	Capital	IV.14		
Prepayments for equipment		668,488	1,524,421	Common stock		2,735,425	2,351,116
Net property, plant and equipment		<u>6,405,232</u>	<u>6,348,614</u>	Additional paid-in capital	IV.15		
				Additional paid-in capital in excess of par common stock		1,941,894	1,305,798
INTANGIBLE ASSETS	II、IV.8&VI			Additional paid-in capital-convertible premium		576,285	577,145
Computer software cost		18,870	20,731	Treasury stock transactions		-	3,987
Goodwill from merger		201,461	230,784	Additional paid-in capital from investee under equity method		662,526	509,305
Land occupancy right		345,286	277,365	Employee's stock options		19,294	8,817
Total intangible assets		<u>565,617</u>	<u>528,880</u>	Capital surplus-interest payable refund from bonds payable		2,693	2,693
				Capital surplus-other		4,235	-
OTHER ASSETS				Retained Earnings			
Refundable deposits	VI&VII	543,366	411,156	Legal reserve	IV.16	374,984	270,468
Deferred charges	II	47,299	28,912	Unappropriated earnings	IV.17	478,434	1,379,311
Deferred income tax assets	II&IV.22	270,955	145,312	Adjusting items in shareholders' equity			
Long-term prepayment for materials	VII	2,967,807	1,500,088	Cumulative translation adjustment	II	181,437	254,759
Total other assets		<u>3,829,427</u>	<u>2,085,468</u>	Unrealized gain or loss on financial instrmnts	II&IV.6	253,920	-
				Treasury stock	II&IV.19	(43)	(19,767)
				Attributable to shareholders of the parent		7,231,084	6,643,632
				MINORITY INTEREST		<u>5,669,726</u>	<u>5,156,971</u>
				Total Equity		<u>12,900,810</u>	<u>11,800,603</u>
TOTAL ASSETS		<u>\$20,944,183</u>	<u>\$19,695,339</u>	TOTAL LIABILITIES AND EQUITY		<u>\$20,944,183</u>	<u>\$19,695,339</u>

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

WAFER WORKS CORP. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended December 31, 2009 and 2008

(Expressed in Thousands of New Taiwan Dollars except earnings per share data)

	Notes	2009	2008
OPERATING REVENUES			
Sales revenues		\$6,349,281	\$11,397,627
Less : Sales returns and discounts		(60,633)	(124,999)
Net sales		6,288,648	11,272,628
Service revenues		62,047	38,182
Net operating revenues	II、IV.20&V	6,350,695	11,310,810
OPERATING COSTS	V	(6,081,804)	(9,147,986)
GROSS PROFIT		268,891	2,162,824
OPERATING EXPENSES			
Sales and marketing expenses		(167,860)	(219,526)
General and administrative expenses		(865,794)	(829,195)
Research and development expenses		(34,006)	(58,385)
Subtotal		(1,067,660)	(1,107,106)
OPERATING INCOME (LOSS)		(798,769)	1,055,718
NON-OPERATING INCOME			
Interest income		20,011	63,261
Dividend income		7,262	994
Gains on sale of fixed assets	II	1,874	2,053
Gain on disposal of investments	II	102,323	481,420
Gains on exchange	II&IV.2	51,562	606
Gains on reversal of impairment loss	II	968	-
Gain on valuation of financial assets	II&IV.2	626	-
Gain on valuation of financial liabilities	II&IV.2	-	73,642
Other non-operating income	IV.11	75,564	172,353
Subtotal		260,190	794,329
NON-OPERATING EXPENSES			
Interest expense	IV.7	(187,352)	(162,671)
Loss on disposal of fixed assets	II	(17,373)	(6,936)
Loss on valuation of financial liabilities	II&IV.2	(21,080)	-
Other non-operating expenses	IV.11	(9,591)	(7,098)
Subtotal		(235,396)	(176,705)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(773,975)	1,673,342
INCOME TAX (EXPENSE) BENEFIT	II&IV.22	97,144	(376,740)
TOTAL CONSOLIDATED INCOME (LOSS)		\$(676,831)	\$1,296,602
CONSOLIDATED NET INCOME (LOSS) ATTRIBUTABLE TO :			
Shareholders of the parent		\$(246,961)	\$1,082,853
Minority interest		(429,870)	213,749
TOTAL CONSOLIDATED INCOME (LOSS)		\$(676,831)	\$1,296,602
EARNINGS PER SHARE-BASIC (dollars) – Attributable to Shareholders of the parent			
Net income (loss)	II&IV.23	\$(0.96)	\$4.24
EARNINGS PER SHARE-DILUTED (dollars) – Attributable to Shareholders of the parent			
Net income (loss)	II&IV.23	\$(0.96)	\$3.95

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

English Translations of Consolidated Financial Statements Originally Issued in Chinese

WAFER WORKS CORP. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2009 and 2008

(Expressed in Thousands of New Taiwan Dollars)

	Notes	Certificates of				Retained Earnings		Cumulative Translation Adjustment	Unrealized Gain/Loss on Financial Instruments	Treasury Stock	Minority Interest	Total
		Common Stock	entitlement to new shares from convertible bonds	Capital collected in Advance	Additional Paid-in Capital	Legal Reserve	Unappropriated Earnings					
Balance at January 1, 2008		\$2,213,308	\$3,380	\$43,254	\$1,080,975	\$137,653	\$1,386,170	\$97,231	\$267	\$(72)	\$2,507,820	\$7,469,986
Purchase of treasury stock	II&IV.19									(19,739)		(19,739)
Disposal of treasury stock by subsidiaries	II&IV.19				64					44		108
Appropriations of FY 2007 retained earnings	IV.17											
Legal reserve						132,815	(132,815)					-
Cash dividends							(773,793)					(773,793)
Stock dividends		68,276					(68,276)					-
Remuneration to directors and supervisors							(19,138)					(19,138)
Employee's bonus		7,759					(95,690)					(87,931)
Issuance of common stocks for cash	IV.14	50,000		(43,254)	760,000							766,746
Changes in minority interests	II										2,435,402	2,435,402
Convertible bonds converted into common stock	II&IV.17	11,773	(3,380)		48,584							56,977
Compensatory stock options	II&IV.18				8,817							8,817
Changes in long-term equity investment	II				509,305							509,305
Cumulative translation adjustment	II							157,528				157,528
Changes in unrealized loss on financial instrument of investees	II&IV.6								(267)			(267)
Net income for 2008							1,082,853				213,749	1,296,602
Balance at December 31, 2008		2,351,116	-	-	2,407,745	270,468	1,379,311	254,759	-	(19,767)	5,156,971	11,800,603
Appropriations of FY 2008 retained earnings(Note)	IV.17											
Legal reserve						108,285	(108,285)					-
Reversal of legal reserve						(3,769)	3,769					-
Cash dividends							(328,666)					(328,666)
Stock dividends		211,286					(211,286)					-
Profit sharing to employees-in stock	IV.14	6,523			24,835							31,358
Issuance of common stocks for cash	IV.14	170,000			595,000							765,000
Changes in minority interests	II										942,625	942,625
Cash injection - Employee stock option	II&IV.15				22,440							22,440
Retirement of treasury stock	II&IV.19	(3,500)			(6,791)		(9,448)			19,739		-
Compensatory stock options	II&IV.18				10,477							10,477
Changes in long-term equity investment	II				153,221							153,221
Changes in unrealized gain on financial instrument of investees	II&IV.6								253,408			253,408
Changes in unrealized gain on available-for-sale financial assets	II&IV.6								512			512
Cumulative translation adjustment	II							(73,322)				(73,322)
Long-term investment translated treasury stock	II&IV.19									(15)		(15)
Net loss for 2009							(246,961)				(429,870)	(676,831)
Balance at December 31, 2009		\$2,735,425	\$-	\$-	\$3,206,927	\$374,984	\$478,434	\$181,437	\$253,920	\$(43)	\$5,669,726	\$12,900,810

The accompanying notes form an integral part of the financial statements.

Note: The company's profit sharing to employees and bouns to director in the amount of 61,358 thousand dollars and 12,272 thousand dollars respectively, had been deducted from earnings.

WAFER WORKS CORP. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

For The Years Ended December 31, 2009 and 2008

(Expressed in Thousands of New Taiwan Dollars)

	2009	2008		2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:			CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Income (loss)	\$(676,831)	\$1,296,602	Short-term loans	778,208	2,147,322
Adjustments to reconcile net income to net cash provided by/(used in)			Short-term notes and bills payable	239,854	-
Operating activities:			Long-term loans	235,426	(192,405)
Depreciation	600,073	477,353	Redemption of bonds payable	(983,978)	(16,124)
Amortization	103,403	65,829	Deposits received	(18)	18
Cash injection - Expense for issuance of employee stock option	10,477	8,817	Issuance of common stocks by cash	765,000	766,746
Compensatory stock options	22,440	-	Disposal (purchase) of treasury stock	-	(19,739)
Compensatory stock options by subsidiaries	117,510	117,649	Cash dividends	(328,666)	(773,793)
Gain on disposal of investments	(102,323)	(481,420)	Payments of remuneration to directors and supervisors	-	(19,138)
Loss on disposal of fixed assets	15,499	4,883	Payments of employee bonus	-	(86,021)
Gains on reversal of impairment loss	(968)	-	Cash dividends by subsidiary	(49,721)	(329,013)
Loss (gain) on redemption of bonds payable	4,330	(2,342)	Disposal (purchase) of treasury stock by subsidiary	(15)	108
Amortization of discount on bonds payable	26,947	35,357	Minority shareholders	1,174,097	3,447,235
Gain on valuation of financial assets	(626)	-	Cash provided by/(used in) financing activities	1,830,187	4,925,196
Loss (gain) on valuation of financial liabilities	21,080	(73,642)			
Net changes in operating assets and liabilities			EFFECT OF EXCHANGE RATE	(95,801)	91,901
Notes receivable-net	(112,288)	9,137	NET INCREASE/(DECREASE) IN CASH	(1,421,539)	240,901
Accounts receivable-net	(93,871)	49,919	CASH AT BEGINNING OF THE YEAR	3,785,204	3,544,303
Accounts receivable-related parties	(391,745)	(41,621)	CASH AT END OF THE YEAR	\$2,363,665	\$3,785,204
Other receivables	(427,838)	343,858			
Inventories-net	(758,251)	(1,369,813)			
Prepaid expenses	(387,661)	(3,154,715)			
Other current assets	1,354	(7,786)			
Deferred income tax assets-current	40,388	(34,641)			
Deferred income tax assets-noncurrent	(125,643)	(126,420)			
Notes payable	244,805	-			
Accounts payable	103,652	(436,948)	SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Accounts payable-related parties	(74,408)	152,710	Cash paid for interest(excluded capitalization interest)	\$162,859	\$140,597
Income tax payable	(94,125)	(155,961)	Cash paid for income tax	\$98,521	\$746,113
Accrued expenses	(113,712)	216,545	Acquisition of property, plant and equipment		
Other payables	(14,819)	160,136	Increase property, plant and equipment	\$795,367	\$2,480,269
Other payables-related parties	-	3,407	Increase/(decrease)Payable on equipment	163,589	(155,024)
Advance receipts	(205,407)	1,140,584	Cash paid for acquisition property, plant and equipment	\$958,956	\$2,325,245
Other current cost	154,450	14,401			
Deferred income tax liability	21,906	-			
Accrued pension cost	(607)	415			
Cash provided by/(used in) operating activities	(2,092,809)	(1,787,707)			
CASH FLOWS FROM INVESTING ACTIVITIES:			INVESTING AND FINANCING ACTIVITIES NOT AFFECTING CASH FLOWS		
Proceeds from disposal in available- for-sale financial assets	167,638	6,159	Current portion of bonds payable	\$12,634	\$866,604
Restricted cash	(29,040)	(201,304)	Current portion of long-term loans	\$72,377	\$91,008
Purchase of property, plant and equipment	(958,956)	(2,325,245)	Payable of employee's bonus	\$-	\$1,910
Sale of property, plant and equipment	14,009	4,368	Capital increase by unappropriated earnings and employees's bonus	\$242,644	\$76,035
Refundable deposits	(132,210)	(267,105)	Cumulative translation adjustment	\$(73,322)	\$157,528
Computer software cost	(8,709)	(12,500)	Capital surplus from disposal common stocks of the Company by subsidiaries	\$-	\$64
Land occupancy right	(82,120)	-	Convertible bonds converted into common stock	\$-	\$56,977
Deferred expenses	(79,874)	(25,869)	Unrealized gain (loss) on available-for-sale financial assets	\$253,920	\$(267)
Acquisition of financial assets measured at cost	46,146	(95,966)			
Acquisition of goodwill from merger	-	(71,027)			
Cash provided by/ (used in) investing activities	(1,063,116)	(2,988,489)			

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

WAFER WORKS CORP. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

(All the currencies are denominated in New Taiwan Thousand Dollars unless otherwise stated)

I. ORGANIZATION AND OPERATIONS

Wafer Works Corp. (the “Company”) was incorporated on July 24, 1997. The Company’s major business activities are as follows:

- (1) R&D, design, manufacturing, trading or the distribution of semiconductor materials.
- (2) R&D, design, manufacturing, trading, and the processing of semiconductor wafer and one-step service.
- (3) Technique transfer and consulting business for above items.

The Company’s common shares were publicly listed on the Taiwan Gre Tai Securities Market on May 13, 2002 and the number of shares publicly available to be traded on the Taiwan Gre Tai Securities Market on May 16, 2002.

As of December 31, 2009 and 2008, the number of employees of the Company and its subsidiaries were 2,408 and 2,429, respectively.

II. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements were prepared in conformity with requirements of the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers” and accounting principles generally accepted in the Republic of China on Taiwan (R.O.C.), and its significant accounting policies of the Company were summarized as follows:

1. Basis of Presentation

- (1) The related subsidiaries are included in the consolidated financial statements:

<u>Parent Company</u>	<u>Subsidiary</u>	<u>Major business</u>	<u>Percentage of ownership (%)</u>		<u>Note</u>
			<u>2009</u>	<u>2008</u>	
Wafer Works Corp.	Wafer Works Investment Corp.	Investment Holding Company	100.00%	100.00%	NA
Wafer Works Corp.	Heli-Vantech Corp.	Design, trading and	99.99%	99.99%	NA

		manufacturing of semiconductor materials.			
Wafer Works Corp.	Wafer Works Optronics Corp.	Electronic component manufacturing industry	74.59%	85.94%	Note 1
Heli-Vantech Corp.	Wafer Works Optronics Corp.	Electronic component manufacturing industry	0.21%	6.56%	Note 1
Wafer Works Investment Corp.	Silicon Technology Investment (Cayman) Corp.	Invest in a technology industry and the distribution of semiconductor materials	75.66%	75.66%	NA
Wafer Works Investment Corp.	Wafermaster Investment Corp.	Investment Holding Company	100.00%	100.00%	NA
Wafer Works Investment Corp.	Solargiga Energy Holdings Limited	Investment Holding Company	19.94%	21.20%	Note 2
Silicon Technology Investment (Cayman) Corp.	Wafer Works (Shanghai) Corp.	Wafer manufacturing industry	100.00%	100.00%	NA
Silicon Technology Investment (Cayman) Corp.	Wafer Works Epitaxial Corp.	Wafer manufacturing industry	100.00%	100.00%	NA
Silicon Technology Investment (Cayman) Corp.	Sharp Right Limited	Trading company	100.00%	100.00%	NA
Silicon Technology Investment (Cayman) Corp.	Golden Power Trading Limited	Trading company	100.00%	100.00%	NA
Wafermaster Investment Corp.	Helitek Company Ltd.	Manufacturing and trading of semiconductor materials.	100.00%	100.00%	NA
Solargiga Energy Holdings Limited	Solar Technology Investment (Cayman) Corp.	Investment Holding Company	100.00%	100.00%	NA
Solargiga Energy Holdings Limited	Tayaneng Investments Limited	Investment Holding Company	100.00%	100.00%	NA
Solargiga Energy	Rising Sun	Investment Holding	100.00%	-%	Note 3

Holdings Limited	Investment Company Limited	Company			
Solar Technology Investment (Cayman) Corp.	Wealthy Rise International Limited	Investment Holding Company	100.00%	100.00%	NA
Solar Technology Investment (Cayman) Corp.	Silicon Solar Materials Company Limited	Investment Holding Company	100.00%	100.00%	NA
Silicon Solar Materials Company Limited	Shanghai Jingji Electronics Material Co., Ltd.	Wafer manufacturing industry	100.00%	100.00%	NA
Rising Sun Investment Company Limited	Jinzhou Yangguang Energy Co., Ltd.	Wafer manufacturing industry	100.00%	-%	Note 4
Rising Sun Investment Company Limited	Jinzhou JJ Solar Energy Co., Ltd.	Wafer manufacturing industry	100.00%	-%	Note 4
Rising Sun Investment Company Limited	Jinzhou Youhua Silicon Materials Co., Ltd.	Wafer manufacturing industry	100.00%	-%	Note 4
Wealthy Rise International Limited	Jinzhou Yangguang Energy Co., Ltd.	Wafer manufacturing industry	-%	100.00%	Note 4
Wealthy Rise International Limited	Jinzhou JJ Solar Energy Co., Ltd.	Wafer manufacturing industry	-%	100.00%	Note 4
Wealthy Rise International Limited	Jinzhou Youhua Silicon Materials Co., Ltd.	Wafer manufacturing industry	-%	100.00%	Note 4
Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	Wafer manufacturing industry	100.00%	100.00%	NA
Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Jinmao Photovoltaic Technology Co., Ltd.	Wafer manufacturing industry	51.00%	100.00%	Note 5

NOTE1: Originally the Company owned 85.94% of shares of Wafer Works Optronics Corp. However, Wafer Works Optronics Corp. performed the capital injection in 2009 but the Company did not recognize increased shares proportionately. Therefore, its shares invested in the Wafer Works Optronics Corp. by the Company reduced from 85.94% to 74.59% of shares as of December, 2009.

Originally Heli-Vantech Corp. owned 6.56% of shares of Wafer Works Optronics Corp. However, Wafer Works Optronics Corp. performed the capital injection in 2009 but Heli-Vantech Corp. did not recognize increased shares proportionately. Therefore, its shares invested in the Wafer Works Optronics Corp. by the Company reduced from 6.56% to 0.21% of shares as of December, 2009.

NOTE2: In 2009, Solargiga Energy Holdings Limited performed capital injection and issuance of stock from exercising employee stock options. Therefore, the invested shares of Solargiga Energy Holdings Limited owned by Wafer Works Investment Corp. reduced to 19.94% as of December 31, 2009.

NOTE3: In 2009, Solargiga Energy Holdings Limited established and 100% owned Rising Sun Investments Company Limited.

NOTE4: Originally Wealthy Rise International Limited indirectly invested and 100% owned the shares of Jinzhou Yangguang Energy Co., Ltd., Jinzhou JJ Solar Energy Co., Ltd. and Jinzhou Youhua Silicon Materials Co., Ltd. On February 16, 2009, Wealthy Rise International Limited transferred all shares of Jinzhou Yangguang Energy Co., Ltd., Jinzhou JJ Solar Energy Co., Ltd. and Jinzhou Youhua Silicon Materials Co., Ltd. to Rising Sun Investment Company Limited.

NOTE5: During 2009 Jinzhou Yangguang Energy Co., Ltd. established Jinzhou Jinmao Photovoltaic Technology Co., Ltd. and owned 51% shares.

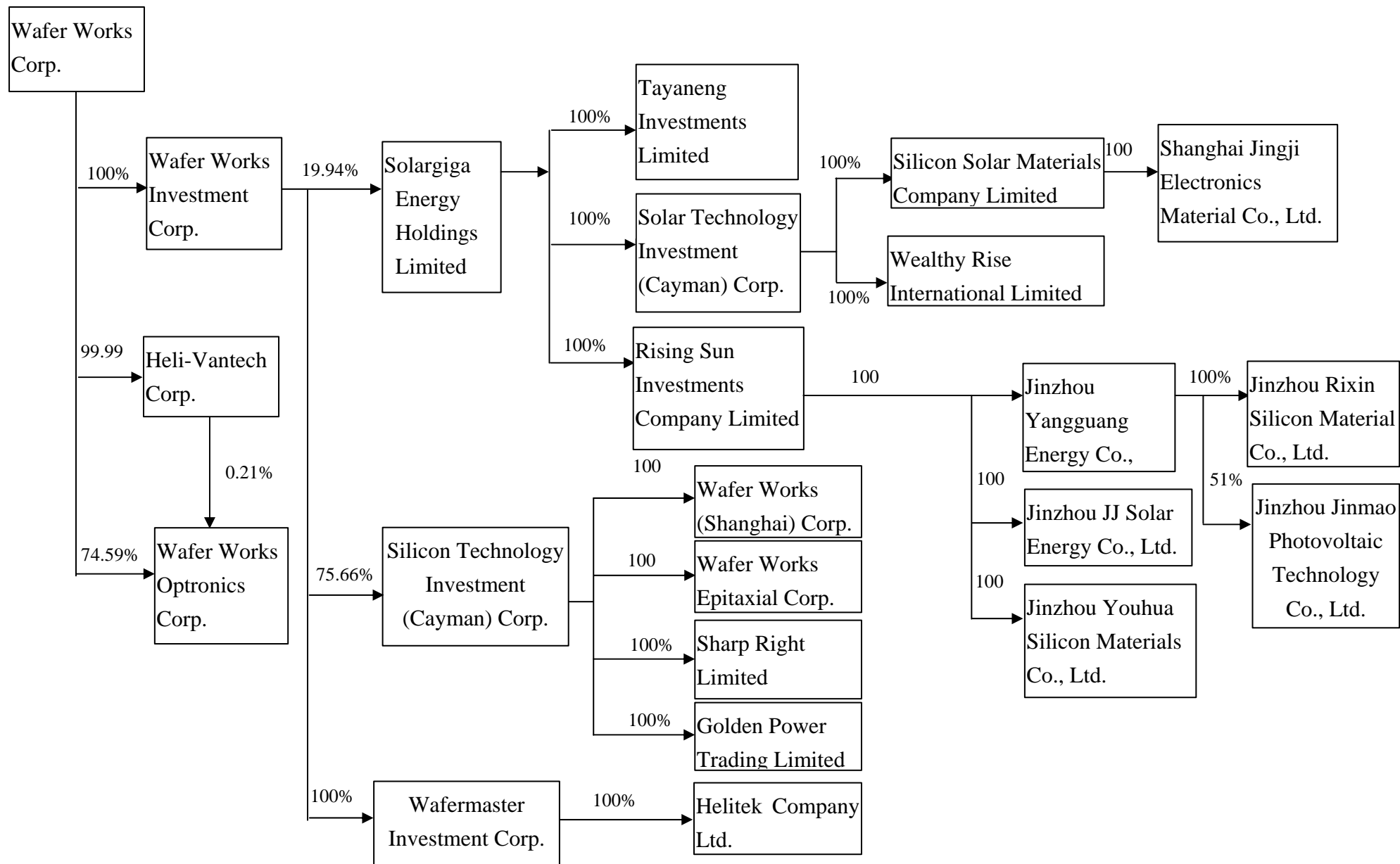
(2) The Company's unconsolidated subsidiaries or entities: None.

(3) The Company and its subsidiaries dealt with the different adjustments and in a different accounting period : Not applicable.

(4) The foreign subsidiaries of the Company exposed to the specified operational risk : Not applicable.

2. The consolidation policy for all financial statements

- (1) The ultimate holding company: Wafer Work Corporation. (the “Company”)
- (2) The following diagram was presented information regarding to the relationship and ownership percentages among the Company and its consolidated subsidiaries as of December 31, 2009:



- (3) In accordance with R.O.C. Statement of Financial Accounting Standards (“SFAS”) No. 25, “Accounting Treatment under Purchased Method”, the acquiring corporation should evaluate the useful life of goodwill and the duration period of the deferred credit, in order to determine whether or not to revise the estimated amortization period. When the value of the goodwill or its expected future economic benefits are estimated to have been impaired, then the unamortized amount of the goodwill should be reduced and a loss should be recognized as a non-operating expense or a loss and a non-operating income or a gain. Effective from January 1, 2006, when the cost exceeds the fair value of identifiable net assets acquired, the difference should be assigned to non-current assets acquired proportionate to their respective fair value. If those non-current assets are reduced to zero value, the remaining excess should be recorded as a deferred credit.
- (4) Investees in which the Company and subsidiaries hold more than 50% of voting rights, including those that are exercisable or convertible, are accounts for under the equity method and shall be consolidated, since the Company and subsidiaries are considered to process control. Consolidation of an entity shall also be implemented if any of the following circumstances exists:
- i. the total amount of voting right held in the investee exceeds 50% due to agreement with other investors
 - ii. as permitted by law, or by contract agreements, the Company controls an entity finances, operations and personal affairs
 - iii. the Company has authority to appoint or discharge more than half members of board of directors(or equivalents), by whom the investee is controlled
 - iv. the Company leads and controls more than half of the members of the board of directors(or equivalents), by whom the investee is controlled
 - v. other indications of control procession

3. Foreign-currency transactions

Foreign currency transactions are recorded in New Taiwan Dollars at the rates of exchange in effect when the transactions occur. Transactions denominated in foreign currencies are re-measured into the local functional currencies and recorded based on the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are re-measured into the local functional currencies at the exchange rates prevailing at the balance sheet date, with the related exchange gains or losses included in the consolidated statements of income. Translation gains or losses from investments in foreign entities are recognized as a cumulative translation adjustment in consolidated stockholders’ equity.

Non-monetary assets and liabilities denominated in foreign currencies that are reported at fair value with changes in fair value charged to the consolidated statements of income, are re-measured at the exchange rate at the balance sheet date, with related exchange gains or losses recorded in the consolidated statements of income. Non-monetary assets and liabilities denominated in foreign currencies that are reported at fair value with changes in fair value charged to stockholder's equity, are re-measured at the exchange rate at the balance sheet date, with related exchange gains or losses recorded as adjustment items to a cumulative translation adjustment in consolidated stockholders' equity. Non-monetary assets and liabilities denominated in foreign currencies and reported at cost are re-measured at historical exchange rates.

The currencies are dominated by the Company's subsidiaries were listed as follows:

<u>Subsidiaries</u>	<u>Dominated Currency</u>
Heli-Vantech Corp.	NTD
Wafer Works Optronics Corp.	NTD
Wafer Works Investment Corp.	USD
Silicon Technology Investment (Cayman) Corp.	USD
Wafermaster Investment Corp.	USD
Helitek Company Ltd.	USD
Golden Power Trading Limited	USD
Solargiga Energy Holdings Limited	RMB
Solar Technology Investment (Cayman) Corp.	RMB
Tayaneng Investments Limited	RMB
Rising Sun Investments Company Limited	RMB
Silicon Solar Materials Company Limited	RMB
Wealthy Rise International Limited	RMB
Wafer Works (Shanghai) Corp.	RMB
Wafer Works Epitaxial Corp.	RMB
Shanghai Jingji Electronics Material Co., Ltd.	RMB
Jinzhou Yangguang Energy Co., Ltd.	RMB
Jinzhou Rixin Silicon Material Co., Ltd.	RMB
Jinzhou JJ Solar Energy Co., Ltd.	RMB
Jinzhou Youhua Silicon Materials Co., Ltd.	RMB
Jinzhou Jinmao Photovoltaic Technology Co., Ltd.	RMB
Sharp Right Limited	HKD

For long-term investments in foreign entities treated by equity method, if the financial statements of foreign entities presented by non-functional currency, the foreign currency financial statements should be re-measured by functional currency, and the exchange rate adjustments produced by measurement should be included in exchange gain or loss. The exchange adjustment produced by foreign financial statements translated into the currency

of the reporting entity and payments for foreign entities should be recorded as “translation adjustments”, the adjustment is presented under shareholders’ equity.

4. Cash and Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and with maturity dates that do not present significant risks on changes in value resulting from changes in interest rates, including commercial paper with original maturities of three months or less.

5. Financial assets and financial liabilities

Effective from January 1, 2006, in accordance with R.O.C. SFAS No. 34, “Financial Instruments: Recognition and Measurement” and the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers”, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity financial assets, financial assets measured at cost, or available-for-sale financial assets. Financial liabilities are recorded at fair value through profit or loss.

The Company accounts for purchase or sale of financial instruments as of the trade date, which is the date the Company commits to purchase or sell the asset or liability. Financial assets and financial liabilities are initially recognized at fair value plus acquisition or issuance costs.

a. Financial assets and financial liabilities at fair value through profit or loss

Financial instruments held for short-term sale or repurchase purposes and derivative financial instruments not qualified for hedge accounting are classified as financial assets or liabilities at fair value through profit or loss.

This category of financial instruments is measured at fair value and changes in fair value are recognized in the consolidated statements of income. Stock of listed companies, convertible bonds, and closed-end funds are measured at closing prices as of the balance sheet date. Open-end funds are measured at the unit price of the net assets as of the balance sheet date. The fair value of derivative financial instruments is determined by using valuation techniques commonly used by market participants in the industry.

Apart from derivatives and financial instruments designated as at fair value through profit or loss, financial instruments may be reclassified out of the fair value through profit or loss category if the financial instruments are no longer held for the purpose of selling them in the near term, and either of the following requirements is met:

- ① Financial asset that would have met the definition of loans and receivables may be reclassified out of the fair value through profit or loss category if the Company has the intention and ability to hold the financial asset for the foreseeable future or until maturity.
- ② Financial instruments that would not have met the definition of loans and receivables may be reclassified out of the fair value through profit or loss category only in rare circumstances.

The financial instrument shall be reclassified at its fair value on the date of reclassification. Any gain or loss already recognized in profit or loss shall not be reversed. The fair value of the financial instrument on the date of reclassification becomes its new cost or amortized cost, as applicable.

Financial instrument shall not be reclassified into the fair value through profit or loss category after initial recognition.

b. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial instruments not classified as financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables. Subsequent measurement is calculated at fair value. Investments in listed companies are measured at closing prices as of the balance sheet date. Any gain or loss arising from the change in fair value, excluding impairment loss and exchange gain or loss arising from monetary financial assets denominated in foreign currencies, is recognized as an adjustment to consolidated stockholder's equity until such investment is reclassified or disposed of, upon which the cumulative gain or loss previously charged to consolidated stockholders' equity will be recorded in the consolidated statements of income.

6. Financial asset or liability held for trading

The derivative financial assets and derivative financial liabilities are always deemed held for trading, excepting for a derivative that is a designated and effective hedging instrument. When a financial asset or financial liability is recognized initially, an entity shall measure it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss.

7. Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on the collectability and the aging analysis of notes and accounts receivable balances.

8. Inventories

Prior to January 1, 2009, inventories are accounted for a perpetual basis and stated at purchase cost, of which is determined by the weighted-average method with the lower of cost or market value at year end. Market value is determined as replacement cost for raw material, and finished goods and work in process which are determined market value by using net realizable value. Cost with market value compared totally not item by item. And the reserve for loss on market value decline, slow moving or obsolete items is provided, when necessary.

Effective January 1, 2009, the inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each product to its present location and condition is accounted as follows:

Raw material - by actual purchase cost with weighted average method. Work in process and finished goods - included direct material cost, direct labor and factory overhead. And fixed factory overhead allocated based on normal operating capacity by weighted average method.

Net realized value is estimated selling price in the ordinary course of business less estimated completion cost and the estimated selling cost necessary to make the sale.

9. Property, plant and equipment

(1) Property, plant and equipment are stated at cost. Major improvements are capitalized, while minor maintenance and repairs are expensed as incurred.

(2) For the new addition or expansion and the prepayment of equipment, the paid interest of loan should be capitalized as the cost of fixed assets since the inception of the debt.

(3) Depreciation will still be calculated over re-estimated useful lives for those fixed assets that are still in use after reaching their useful lives estimated originally.

(4) Depreciation is recognized on a straight-line basis using the estimated economic life of the assets:

Buildings	5	-	50	Years
Machinery equipment	2	-	15	Years
Transportation equipment	5	-	10	Years
Office equipment	5	-	10	Years
Other equipment	3	-	10	Years

(5) Losses on disposal of property, plant and equipment are presented under non-operating expenses. And gains on disposal of property, plant and equipment are presented under non-operating income.

10. Intangible assets

Effective from January 1, 2007, the Company adopted the newly released R.O.C. SFAS No. 37, “Accounting for Intangible Assets”. The Company had reassessed the useful lives and the amortization method of its recognized intangible assets at the effective date. Expenditures related to research activities and those related to development activities that do not meet the criteria for capitalization are charged to expense when incurred.

Item	Estimated useful lives	Method
Computer software cost	1-5 Years	straight-line method
Land occupancy right	15-30 Years	straight-line method

11. Deferred charges

Deferred expenses, including electricity and wafer construction cost which has future economical benefit and are stated at cost and amortized on a straight-line basis from 6 months to 10 years.

12. Employee stock option plan

The Company uses intrinsic value method to recognize compensation cost for its employee stock options issued between January 1, 2004 and December 31, 2007, in accordance with Accounting Research and Development Foundation interpretation Nos.92-070~072. For stock options granted on or after January 1, 2008, the Company recognizes compensation cost using the fair value method in accordance with R.O.C. SFAS No. 39 “Accounting for Share-Based Payment.”

In accordance with R.O.C. SFAS No. 39, share-based payment transaction is measured by reference to the fair value of the equity instruments at the date on which they are granted; the fair value is determined by an external value using an appropriate pricing model.

The Company only enters into equity-settled share-based payment transaction with its employees. Pursuant to R.O.C. SFAS No. 39, the goods or services received under such transaction, and the corresponding increase in equity, shall be measured by reference to the fair value of the equity instruments granted. If there is no vesting condition attached, then the equity instrument is vested immediately, with the employee compensation costs recognized as at the grant date, with a corresponding increase in equity. If the equity

instrument is vested over a certain period, then the employee compensation costs are recognized over the period, with a corresponding increase in equity.

In valuing the fair value of the equity instrument granted, no account is taken of any vesting conditions other than market conditions. Instead, non-market vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount, so that, ultimately, the amount recognized for goods or services received as consideration for the equity instruments granted shall be based on actual number of equity instruments that eventually vest. For grants of equity instruments with market conditions, the Company shall recognize the goods or services received from a counterparty that satisfies all other vesting conditions, irrespective of whether the market condition is satisfied.

13. Pension plan

The Company established a defined benefit pension fund for its employees. The benefits to be paid to retiring employees under the plan are based on the year of credited service and the average of last six months compensation. The Company has provided monthly contributions to the pension fund at 2.3% of total monthly salaries as required by Labor Standards Laws since March 1999. The pension fund is administered by the Employees Pension Committee. The fund is deposited in the Central Trust of China; a government approved financial institution, in the name of the Committee. Payments of retirement benefits are disbursed from the fund directly. Therefore, the fund is not reflected in the accompanying financial statements.

The Labor Pension Act of R.O.C. (“the Act”), which adopts a defined contribution plan, became effective on July 1, 2005. Employees eligible for the Labor Standards Law, a defined benefit plan, were allowed to elect to either the pension calculation under the Act or continue to be subject to the pension calculation under the Labor Standards Law. Those employees that elected to be subject to the Act will have their seniority achieved under the Labor Standards Law retained upon election of the Act, and the Company will make monthly contributions of no less than 6% of these employees’ monthly wages to the employees’ individual pension accounts.

The accounting for the Company’s pension liability is computed in accordance with R.O.C. SFAS No.18, “Accounting for Pension.” Net pension costs of the defined benefit plan are recorded based on an independent actuarial valuation. Pension cost components such as service cost, interest cost, expected return on plan assets, the amortization of net obligation at transition, pension gain or loss, and prior service cost, are all taken into consideration. The Company recognizes expenses from the defined contribution pension plan in the period in which the contribution becomes due.

Helitek Company Ltd. established a retirement plan, which allows employees that have completed three months of employment to participate in the plan.

14. Convertible Bonds Payable

For convertible bonds issued after January 1, 2006, the components of compound financial instrument are separated by the Company based on the contractual terms upon initial recognition. The liability component is measured first, and the difference between the proceeds of the bond issued and the fair value of the liability is accounted for as the equity component. The value of any derivative features embedded in the compound financial instrument other than the equity component is included in the liability component. Transaction costs are apportioned between the liability and equity components based on the allocation of proceeds to the liability and equity components when the bonds are first recognized. The liability component relating to the main contract is subsequently measured at amortized cost, while the embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

When the conversion option expires unexercised and at that time the market value of the common stock under conversion exceeds the put price, put premium should be credited to paid-in capital, if the market value is otherwise lower than the put price, it is expensed.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion should be transferred to equity.

15. Impairment of financial assets

The Company recognizes an impairment loss when objective evidence of impairment exists. Any reduction in the impairment loss of equity investments in subsequent periods will be recognized as an adjustment to consolidated shareholders' equity. The impairment loss of a debt security may be reversed and recognized in the consolidated statement of income if the security recovers and the Company concludes the recovery is related to improvements in the factors or events that originally caused the impairment.

16. Asset impairment

Pursuant to R.O.C. SFAS No. 35, "Impairment of Assets", the Company assesses indicators of impairment for all its assets (except for goodwill) within the scope of the standard at each balance sheet date. If impairment is indicated, the Company compares the asset's carrying amount with the recoverable amount of the assets or the cash-generating unit (CGU) associated with the asset and writes down the carrying amount to the recoverable amount where applicable. The recoverable amount is defined as the higher of

fair value less the costs to sell, and the values in use. For previously recognized losses, the Company assesses at the balance sheet date if any indication that the impairment loss no longer exists or may have diminished. If there is any such indication, the Company recalculates the recoverable amount of the asset, and if the recoverable amount has increased as a result of the increase in the estimated service potential of the assets, the Company reverses the impairment loss so that the resulting carrying amount of the asset does not exceed the amount (net of amortization or depreciation) that would otherwise result had no impairment loss been recognized for the assets in prior years.

In addition, a goodwill-allocated CGU or group of CGUs is tested for impairment each year, regardless of whether impairment is indicated. If an impairment test reveals that the carrying amount, including goodwill, of CGU or group of CGUs is greater than its recoverable amount, it results in an impairment loss. The loss is first recorded against the CGU's goodwill, with any remaining loss allocated to other assets on a pro rata basis proportionate to their carrying amounts. The write-down of goodwill cannot be reversed in subsequent periods under any circumstances.

Impairment losses and reversals are classified as non-operating expenses and income, respectively.

17. Income tax

The Company adopted the R.O.C. SFAS No. 22, "Accounting for Income Taxes" for inter-period and intra-period income tax allocation. Provision for income tax includes deferred income tax resulting from temporary differences, loss carry-forward and investment tax credits. Deferred income tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts in the financial statements using enacted tax rates and laws that will be in effect when the difference is expected to reverse. Valuation allowance on deferred income tax assets is provided to the extent that it is more likely than not that the tax benefits will not be realized. A deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of its related asset or liability. However, if a deferred tax asset or liability does not relate to an asset or liability in the financial statements, then it is classified as either current or noncurrent based on the expected reversal date of the temporary difference.

Income tax (10%) on un-appropriated earnings is recorded as expense in the year when the shareholders have resolved that the earnings shall be retained.

In accordance with the R.O.C. SFAS No. 12, "Accounting for Income Tax Credits", the Company recognizes the tax benefit from the purchase of equipment and technology, research and development expenditure, employee training, and certain equity investment by the flow-through method.

The R.O.C. government enacted the Alternative Minimum Tax Act (“AMT Act”), which became effective on January 1, 2006. The alternative minimum tax (“AMT”) imposed under the AMT Act is a supplemental tax levied at a rate of 10% which is payable if the income tax payable determined pursuant to the Income Tax Law is below the minimum amount prescribed under the AMT Act. The taxable income for calculating the AMT includes most of the income that is exempted from income tax under various laws and statutes. The Company has considered the impact of the AMT Act in the determination of its tax liabilities.

Base on the new tax law which is revised at May 27, 2009, the Company is enabled to use the revised tax rate 20% from January 1, 2010.

Helitek Company Ltd. adopted the U.S. Statement of Financial Accounting Standard (“SFAS”) No. 109, “Accounting for Income Taxes”, it took a balance sheet approach in arriving at a deferred income tax asset or liability. A valuation allowance on deferred income tax assets is provided to the extent that it is more likely than not that the tax benefits will not be realized. Therefore, there was no significant difference between R.O.C. SFAS No. 22 and U.S. SFAS No.109.

18. Income recognition

The Company adopted R.O.C. SFAS No. 32, "Accounting for Revenue Recognitions" to account for its revenue recognition.

19. Earnings per share

Earnings per share is computed according to R.O.C. SFAS No. 24, “Earnings Per Share” Basic earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding during the current reporting period. Diluted earnings per share is computed by taking basic earnings per share into consideration plus additional common shares that would have been outstanding if the dilutive share equivalents had been issued. Net income is also adjusted for interest and other income or expenses derived from any underlying dilutive share equivalents. The weighted-average of outstanding shares is adjusted retroactively for stock dividends and bonus share issues.

20. Treasury stock

(1) When a company acquires its outstanding shares as treasury stock, the acquisition cost should be debited to the treasury stock account if the shares purchase. The carrying value of treasury stock should be calculated by suing the weighted-approach according to the same class treasury (common stock or preferred stock) respectively.

When treasury stocks are sold, if the selling price is above the book value, the difference should be credited to the capital surplus – from treasury stock transaction account. If the selling price is below the book value, the difference should be first offset against capital surplus from the same class of treasury stock transactions, and the remainder, if any, debited to retained earnings.

When the company's treasury stock is retired, the treasury stock account should be credited, and the capital surplus – premium on stock account and capital stock account should be debited proportionately according to the share ratio. An excess of the carrying value of treasury stock over the sum of its par value and premium on stock first be offset against capital surplus from the same class of treasury stock transactions, and the remainder, if any, debited to retained earnings. An excess of the sum of the par value and premium on stock of treasury stock over its carrying value should be credited to capital surplus from the same class of treasury stock transactions.

- (2) In accordance with the R.O.C. SFAS No. 30 “Accounting Principles for Treasury Stocks”, the Company's subsidiaries' hold the share of the Company as treasury stocks.

21. Share-Based Employee Bonuses and Remunerations Paid to Directors and Supervisors

In accordance with Accounting Research and Development Foundation interpretation No. 96-052 effective from January 1, 2008, share-based employee bonuses and remunerations paid to directors and supervisors are charged to expense at fair value and are no longer accounted for as a reduction of retained earnings.

22. Issued shares reserved for employees when cash injection performed

The Company issues cash injection based on the Company law Article 267. A company issues new shares; there shall be 10 to 15 percent of such new shares reserved for subscription by employees of the company. And based on ROC SFAS No.39 to account for share-based payments and related regulations from Accounting Research and Development Foundation, the salary expenses shall be recognized by the Company, which should be calculated based on the shares' listed market price on Grant date.

III. CHANGE IN ACCOUNTING POLICIES

- (1) Effective from January 1, 2008, the Company adopted the newly R.O.C. SFAS No.39, “Share-based Payment” to account for dealing with share-based payment arrangements. The adoption of this interpretation resulted in a decrease in net income and earnings per share of 110,139 thousand dollars and 0.43 dollar, respectively, for the years ended December 31, 2008.

- (2) Effective from January 1, 2008, the Company adopted Accounting Research and Development Foundation interpretation No. 96-052 to account for share-based employee bonuses and remunerations paid to directors and supervisors. The adoption of this interpretation resulted in a decrease in net income and earnings per share of 64,190 thousand dollars and 0.25 dollar, respectively, for end year ended December 31, 2008.
- (3) Effective January 1, 2009, the Company adopted newly revised R.O.C SFAS No.10, "Accounting for Inventories" (R.O.C SFAS No.10). The main revisions are (1) inventories are valued at the lower of cost and net realizable value item by item ; (2) unallocated overheads resulted from low production or idle capacity are recognized as costs of goods sold in the period in which they are incurred ; and (3) abnormal amounts of production costs, and loss on decline in the market value of inventories (or gains on recovery in market value of inventories) are recognized as cost of goods sold. As a result of adopting the revised R.O.C. SFAS No.10, there is increased net loss and earnings per share of 24,464 thousand dollars and 0.01 dollar, respectively, for the year 2009. The non-operating expense of 1,245,068 thousand dollars for the year 2008, was also reclassified to cost of sales.

IV. DETAILS OF SIGNIFICANT ACCOUNTS

1. CASH AND CASH EQUIVALENTS

	As of December 31,	
	2009	2008
Cash on hand	\$1,725	\$1,854
Checking and savings accounts	2,222,940	2,213,382
Deposits accounts	139,000	1,569,968
Total	<u>\$2,363,665</u>	<u>\$3,785,204</u>

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(1) Trading financial assets

	As of December 31,	
	2009	2008
Forward exchange contracts	<u>\$626</u>	<u>\$-</u>

(2)Trading financial liabilities

	As of December 31,	
	2009	2008
Embedded derivative for convertible bonds	\$1,283	\$78,934

As mentioned above, the embedded derivative for convertible bonds includes the value of conversion rights、the value of put options for investors、the value of redeemable convertible bonds and the value of reset options.

(3)The Company entered into derivative contracts during the years ended December 31, 2009 and 2008 to manage exposures due to the fluctuations of foreign exchange rates. The derivative contracts entered into by the Company did not meet the criteria for hedge accounting. Therefore, the Company did not apply hedge accounting treatment for its derivative contracts. As of December 31, 2008, there was no outstanding forward contract. Outstanding forward foreign exchange contracts of December 31, 2009 :

Item	Book Value	Contract Amount	Contract period
<u>2009.12.31</u>			
Forward foreign exchange buying	\$626	USD 2,000 thousand	2009.10.19~ 2010.01.26

For the years ended December 31, 2009 and 2008, the Company's forward contracts generated exchange loss amounted to 863 thousand dollars and 19,442 thousand dollars, respectively, were recorded under non-operating income. For the years ended December 31, 2009 and 2008, the Company's forward contracts generated gain on valuation of financial assets amounted to 626 thousand dollars and 0 thousand dollars respectively, were recorded under non-operating income. Please refer to Note X Information of "financial risk".

(4)The recognition of conditions for some of the factors for convertible bonds and host contract of embedded derivative for convertible bonds is separated to disclose in the financial statement. Please refer to Notes IV.11.

3. NOTES RECEIVABLE

	As of December 31,	
	2009	2008
Notes receivable	\$269,331	\$157,043
Less: Allowance for doubtful accounts	-	-

Net	<u>\$269,331</u>	<u>\$157,043</u>
4. <u>ACCOUNTS RECEIVABLE</u>		
	As of December 31,	
	<u>2009</u>	<u>2008</u>
Accounts receivable	\$1,196,575	\$1,102,531
Less: Allowance for doubtful accounts	(16,935)	(16,762)
Net	<u>\$1,179,640</u>	<u>\$1,085,769</u>

5. INVENTORIES

(1) Inventories consist of the following:

	As of December 31,	
	<u>2009</u>	<u>2008</u>
Raw materials	\$1,957,865	\$2,568,053
Supplies	156,296	177,133
Work in process	1,214,276	702,035
Finished goods	823,008	974,413
Merchandise	4,061	27,423
Total	<u>4,155,506</u>	<u>4,449,057</u>
Less: Allowance for obsolescence and declines in market value	<u>(320,113)</u>	<u>(1,371,915)</u>
Net	<u>\$3,835,393</u>	<u>\$3,077,142</u>

(2) The company recognized a gain from price recovery of inventory of 1,050,983 thousand dollars and a loss on inventory reserve of 1,245,068 thousand dollars as cost of sales for the years ended December 31, 2009 and 2008 respectively. The company recognized the physical inventory gain (loss) amounted (845) thousand dollars and 2,295 thousand dollars as of operating costs for the years ended December 31, 2009 and 2008 respectively.

(3) The insurance coverage for inventories as of December 31, 2009 and 2008 amounted to 1,533,599 thousand dollars and 1,337,837 thousand dollars, respectively.

(4) No inventories were pledged as collateral during 2009 and 2008.

6. FUNDS AND INVESTMENT

(1) Available-for-sale financial assets:

	98.12.31	97.12.31
Publicly traded stocks	\$112,897	\$-
Adjustments for change in available-for-sale financial assets	253,920	-
Total	\$366,817	\$-

(1) The Company acquired 1,018,860 shares of Neo Solar Power Corp. booked as financial assets carried at cost by 90,489 thousand dollars. However, Neo Solar Power Corp. was IPO and listed in the 1st quarter of 2009. Therefore, the invested shares of Neo Solar Power Corp. recognized as from financial assets carried at cost to financial assets in available-for-sale and also recognized unrealized losses on amounted 512 thousand dollars.

(2) The Company's subsidiary, Heli-Vantech Corp. hold 5,573,573 shares of Neo Solar Power Corp. and recognized financial assets carried at cost 96,782 thousand dollars. However, Neo Solar Power Corp. was IPO and listed in the 1st quarter of 2009. Therefore, the invested shares of Neo Solar Power Corp. recognized as from financial assets carried at cost to financial assets in available-for-sale and also recognized unrealized losses on amounted 253,408 thousand dollars. In addition, the Company recognized financial assets at fair value through profit by 253,408 thousand dollars under equity method.

(3) Above available-for-sale financial assets were not pledged.

(2) Financial assets measured at cost:

Investee Companies	Number of shares owned	Book value	Percentage of ownership	Gain (loss) from investment
<u>As of December 31, 2008</u>				
Neo Solar Power Corp.	6,594,433	\$187,271	4.58%	\$-
Cleantech America Inc.	555,449	38,336	7.46%	-
Total		\$225,607		\$-

Financial assets measured at cost were not pledged.

7. PROPERTY, PLANT AND EQUIPMENT

(1) Property, plant and equipment consist of the following:

<u>Cost:</u>	As of December 31,	
	2009	2008
Land	\$259,131	\$259,131
Buildings	745,987	689,943
Machineries and equipment	6,843,502	5,605,639
Transportation equipment	63,394	23,099
Office equipment	157,038	156,252
Other equipment	374,278	371,173
Construction in progress	322,173	213,835
Prepayment on equipment	668,488	1,524,421
Total	9,433,991	8,843,493
<u>Accumulated depreciation:</u>		
Buildings	155,010	132,494
Machineries and equipment	2,566,650	2,122,086
Transportation equipment	32,989	10,068
Office equipment	88,908	69,914
Other equipment	172,065	145,869
Total	3,015,622	2,480,431
<u>Accumulated impairment:</u>		
Machineries and equipment	13,137	14,448
Net	\$6,405,232	\$6,348,614

(2) As of December 31, 2009 and 2008, insurance coverage for property, plant and equipment were amounted to 9,674,275 thousand dollars and 8,749,045 thousand dollars, respectively.

(3) Amounts of interest capitalized in 2009 and 2008 were as follows:

	2009	2008
Interest expense before capitalization	\$194,730	\$178,116
Amounts of interest capitalized	7,378	15,445
Capitalization rate	1.45%-5.40%	2.69%~6.23%
Equipment of capitalization	Machineries	Machineries and equipment, Prepayments for equipment

(4) Please refer to Note VI for details of assets pledged as collaterals.

8. INTANGIBLE ASSETS

(1) Computer software cost :

	2009	2008
Cost:		
At beginning of year	\$30,506	\$18,006
Increase	8,709	12,500
Decrease	(2,115)	(720)
Effect of exchange rate	(61)	720
At end of year	<u>37,039</u>	<u>30,506</u>
Accumulated Amortization:		
At beginning of year	9,775	934
Increase	10,528	8,837
Decrease	(2,115)	(720)
Effect of exchange rate	(19)	724
At end of year	<u>18,169</u>	<u>9,775</u>
Net	<u><u>\$18,870</u></u>	<u><u>\$20,731</u></u>

(2) Land occupancy right:

	2009	2008
Cost:		
At beginning of year	\$293,218	\$268,150
Increase	82,120	-
Effect of exchange rate	(7,566)	25,068
At end of year	<u>367,772</u>	<u>293,218</u>
Accumulated Amortization:		
At beginning of year	15,853	6,052
Increase	7,263	6,427
Effect of exchange rate	(630)	3,374
At end of year	<u>22,486</u>	<u>15,853</u>
Net	<u><u>\$345,286</u></u>	<u><u>\$277,365</u></u>

Please refer to Note VI for details of assets pledged as collaterals.

9. SHORT-TERM LOANS

(1) Short-term loans consist of the following:

	As of December 31,	
	2009	2008
Credit loan	\$4,416,988	\$3,732,616
Secured loan	93,836	-
Total	<u>\$4,510,824</u>	<u>\$3,732,616</u>

(2) As of December 31, 2009 and 2008, interest rates of short-term loans were 0.80%~6.66% and 2.58%~7.47%.

(3) Please refer to Note VI for details of assets pledged as collaterals.

10. SHORT-TERM NOTES AND BILLS PAYABLE

As of December 31, 2008, the Company had no short-term notes and bills payable. And commercial paper payable of December 31, 2009:

Financial Institution	Period	Amount	Rate	Collaterals
Commercial paper payable:				
TaChong Bank Corporation	2009.12.30-2010.01.29	\$150,000	0.88%	None
International Bills Finance Corporation	2009.12.23-2010.01.22	50,000	0.84%	None
China Bills Finance Corporation	2009.12.08-2010.02.26	40,000	0.36%	None
Total		240,000		
Less : Discount on commercial paper payable		(146)		
Net		<u>\$239,854</u>		

11. CONVERTIBLE BONDS PAYABLE

(1) Convertible bonds payable consist of the following:

	As of December 31,	
	2009	2008
Convertible unsecured bonds - third	\$-	\$6,500
Convertible unsecured bonds - fourth	13,900	981,700
Less: Discounts on bonds payable	(1,266)	(121,596)
Total	12,634	866,604
Less: Current portion	(12,634)	(866,604)

Net	\$-	\$-
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(2) For the third time, the Company issued the unsecured convertible bonds to reimburse bank loans and to purchase machineries and equipment on November 1, 2006. The terms and conditions of the bonds were as follows:

A. Issue amount :

The third convertible bonds issued amounted to 300,000 thousand dollars, at 100 thousand dollars per unit, and the issue price was 102% of the face value.

B. Period : November 1, 2006 ~ November 1, 2011

C. Company issued zero coupon convertible bonds. Except convertible bonds were converted into common stock, it may redeem by the Company or redeemed by the bonds holders' request before maturity.

D. The guarantee conditions :

The Company's convertible bonds are unsecured bonds. However, if the Company issues the secured bond with warrants or convertible bonds, then those unsecured bonds are set the same level of deed right or the same order of secured property right by following secured bond with warrants or convertible bonds.

E. Conversion period :

The Company issued convertible bonds after the following month and within 10 days before maturity date, and the bondholders could request stock agency to convert the bonds into common stock but except for (1) During the closed period; (2) the Company is to set the closed period for ex-right, ex-dividend or the ex-right by capital injection if the exercise date falls within three business days before the beginning of, and during, any closed period.

F. Conversion price and adjustments :

On October 26, 2006, the conversion price was 60 dollars per common share.

The applicable conversion price was subject to adjustments upon the occurrence of certain events set out in the debenture, like the bond issuers reissues convertible bonds with a conversion price lower than the market price of the common stock when of performed capital injection by cash, by earnings, by capital surplus, or performed capital injection by employees' bonus, stock split or global depository receipts, thus the conversion price should be adjusted accounting to a specified adjustment formula, but except for issuing new shares from merger, acquisition, or

buy back treasury stock to reduce the number of outstanding shares.

G. Redemption

- a. The Company may redeem the convertible bonds from one month after bond issued to the 40 days before maturity date. When the Company's closing price of common shares is 50% above the convertible price for 30 consecutive trading days, and the Company could send a bond redeem notification letter via registered mail to the bondholders. (Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announced to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the face value and the bond is purchased by cash and would be announced over the Gre-Tai Securities Market.
- b. The Company may redeem the convertible bonds from one month after bond issuance to the 40th day before maturity date. The total value of outstanding convertible bonds becomes less than 10% of the total principal for 30 consecutive trading days. The Company will send a bond redeem notification letter via registered mail to the bondholders. (Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announced to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the face value and the bond is purchased by cash and would be announced over the Gre-Tai Securities Market.

H. Put option for bondholders :

Via a registered mail sent to bondholders but on 30 days before the convertible bonds were issued within two or three years, the Company should formally inform the bondholders to perform put option after two-year or three-year bonds issued. And the Company would inform the Gre-Tai Securities Market to announce for the execution of put options of convertible bondholders. Also, convertible bondholders could request the stock agency of the Company to redeem the bonds by cash at face value plus interest accrued, (on the second year after the issuance date, the bond is 101.00% of the face value, calculated based on an implied yield rate of 0.5%; on the third year after the issuance date, the bond is 101.50% of the face value, calculated based on an implied yield rate of 0.5%), Upon maturity, the Corporation has redeemed the bonds by cash at face value plus interest accrued.

I. Trustee and agreements :

- a. When the Company purchased back the bonds from the secondary market,

redeemed, cancelled or conversion of convertible bonds, these convertible bonds with the elimination of the right of conversion will not be issued any more.

- b. All converted common stocks are registered. When transfer, registration, collateral, or missing of the convertible bonds are in accordance with the instructions of Criteria Governing Handling of Stock Affairs by Public Stock Companies. Also, related taxes complied with Taiwan tax laws currently.
- c. The trust department of Taishin Bank as the creditors' trustee dealt with convertible bonds of the Company. Taishin Bank complied with the issuance and transformation agreements of convertible bonds and trustee agreements on behalf of creditors' interest to perform audit and monitor over the execution of the right and obligation for convertible bonds.
- d. The stock agency of the Company performed the bond payments and bonds conversion.
- e. No matter when bondholders purchased the convertible bonds once newly issued or held the bonds during the period. The obligation and right of trustee, and the issuance of convertible bonds on the trustee agreement could be established between the Company and trustees mutually. Once bondholders should agree to the related articles about the bonds issuance and conversion, they can not cancel the trustee agreement during the period of bonds holding. About the content of trustee agreement with the Company, if any, the bondholders can review it at the Company or at trustee institution.
- f. In accordance with SAFS No.34 , an embedded derivate is a component of call option and put option, the embedded derivative shall be separated from the host contract and the economic characteristics and risks of the embedded derivative are not closely related to the host contract. The Company recognized a financial liabilities at fair value by 157,650 thousand dollars for issue date.

During the years ended December 31, 2009 and 2008, financial liabilities at fair value through profit or loss were 0 thousand dollars and 3,857 thousand dollars respectively. Also, as of December 31, 2009 and 2008, financial liabilities at fair value through profit or loss were 0 thousand dollars and 693 thousand dollars respectively.

- g. As of December 31, 2009, the accumulated conversion of convertible bonds at face value amount was 293,500 thousand dollars, issued shares amounted to 51,078 thousand dollars and Capital Surplus-convertible premium amounted to

281,198 thousand dollars.

The Company redeemed the bonds of 4,549 thousand dollars (total face value amounted 6,500 thousand dollars) and were recognized as financial liabilities at fair value through profit or loss amounted 693 thousand dollars and loss on evaluation of convertible bonds amounted 1,258 thousand dollars were booked as non-operating expense.

For the third time, the Company issued the unsecured convertible bonds for the reimbursement of loans and proceeds of equipments' procurement on November 1, 2006. As of December 31, 2009, the all unsecured convertible bonds had been converted and redeemed.

(3) For the fourth time, the Company issued unsecured convertible bonds to build a factory and to purchase machines and equipment on November 14, 2007, and the terms and conditions of the bonds were as follows:

A. Issue amount :

The fourth convertible bonds issued amounted to 1,000,000 thousand dollars, at 100 thousand dollars per unit, and the issue price was 100% of the face value.

B. Period : November 14, 2007~ November 14, 2012

C. Company issued zero coupon convertible bonds. Except convertible bonds were converted into common stock, it may redeem by the Company or redeemed by the bonds holders' request before maturity.

D. The guarantee conditions :

The Company's convertible bonds are unsecured bonds. However, if the Company issues the secured bond with warrants or convertible bonds, then those unsecured bonds are set the same level of deed right or the same order of secured property right by following secured bond with warrants or convertible bonds.

E. Conversion period :

The Company issued convertible bonds after the following month and within 10 days before maturity date, and the bondholders could request stock agency to convert the bonds into common stock but except for (1) During the closed period; (2) the Company is to set the closed period for ex-right, ex-dividend or the ex-right by capital injection if the exercise date falls within three business days before the beginning of, and during, any closed period.

F. Conversion price and adjustments :

On November 8, 2007, the conversion price was 216 dollars per common share.

The applicable conversion price was subject to adjustments upon the occurrence of certain events set out in the debenture, like the bond issuers reissues convertible bonds with a conversion price lower than the market price of the common stock when of performed capital injection by cash, by earnings, by capital surplus, or performed capital injection by employees' bonus, stock split or global depositary receipts, thus the conversion price should be adjusted accounting to a specified adjustment formula, but except for issuing new shares from merger, acquisition, or buy back treasury stock to reduce the number of outstanding shares.

On December 31, 2009, the conversion price was 144.1dollars.

G. Redemption

- a. The Company may redeem the convertible bonds from one month after bond issued to the 40 days before maturity date. When the Company's closing price of common shares is 50% above the convertible price for 30 consecutive trading days, and the Company could send a bond redeem notification letter via registered mail to the bondholders. (Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announced to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the face value and the bond is purchased by cash and would be announced over the Gre-Tai Securities Market.
- b. The Company may redeem the convertible bonds from one month after bond issuance to the 40th day before maturity date. The total value of outstanding convertible bonds becomes less than 10% of the total principal for 30 consecutive trading days. The Company will send a bond redeem notification letter via registered mail to the bondholders. (Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announce to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the face value and the bond is purchased by cash and would be announced over the Gre-Tai Securities Market.

H. Put option for bondholders :

Via a registered mail sent to bondholders but on 30 days before the convertible bonds were issued within two or three years, the Company should formally inform the bondholders to perform put option after two-year or three-year bonds issued. And the Company would inform the Gre-Tai Securities Market to announce for the execution of put options of convertible bondholders. Also, convertible bondholders could request the stock agency of the Company to redeem the bonds by cash at face value plus interest accrued, (on the second year after the issuance date, the bond is 101.00% of the face value, calculated based on an implied yield rate of 0.5%; on the third year after the issuance date, the bond is 101.50% of the face value, calculated based on an implied yield rate of 0.5%), Upon maturity, the Corporation has redeemed the bonds by cash at face value plus interest accrued.

I. Trustee and agreements :

- a. When the Company purchased back the bonds from the secondary market, redeemed, cancelled or conversion of convertible bonds, these convertible bonds with the elimination of the right of conversion will not be issued any more.
- b. All converted common stocks are registered. When transfer, registration, collateral, or missing of the convertible bonds are in accordance with the instructions of Criteria Governing Handling of Stock Affairs by Public Stock Companies. Also, related taxes complied with Taiwan tax laws currently.
- c. The trust department of Fuban Bank as the creditors' trustee dealt with convertible bonds of the Company. Fuban Bank complied with the issuance and transformation agreements of convertible bonds and trustee agreements on behalf of creditors' interest to perform audit and monitor over the execution of the right and obligation for convertible bonds.
- d. The stock agency of the Company performed the bond payments and bonds conversion.
- e. No matter when bondholders purchased the convertible bonds once newly issued or held the bonds during the period. The obligation and right of trustee, and the issuance of convertible bonds on the trustee agreement could be established between the Company and trustees mutually. Once bondholders should agree to the related articles about the bonds issuance and conversion, they can not cancel the trustee agreement during the period of bonds holding. About the content of trustee agreement with the Company, if any, the

bondholders can review it at the Company or at trustee institution.

f. In accordance with SAFS No.34 , an embedded derivate is a component of call option and put option, the embedded derivative shall be separated from the host contract and the economic characteristics and risks of the embedded derivative are not closely related to the host contract. The Company recognized a financial liabilities at fair value by 152,800 thousand dollars for issue date.

During 2009 and 2008, financial liabilities at fair value through profit or (loss) were (21,080) thousand dollars and 69,785 thousand dollars respectively as gain (loss) on valuation of financial liabilities. Also, as of December 31, 2009 and 2008, financial liabilities at fair value through profit or loss were 1,283 thousand dollars and 78,241 thousand dollars, respectively.

g. In 2009, the Company redeemed the bonds of 876,368 thousand dollars (total face value amounted 967,800 thousand dollars) by the amount of 977,478 thousand dollars, thus recognized financial liabilities at fair value through profit or loss amounted 98,038 thousand dollars and recognized the loss on evaluation of convertible bonds amounted 3,072 thousand dollars were booked as non-operating expenses.

In 2008, the Company redeemed the bonds of 15,992 thousand dollars (total face value amounted 18,300 thousand dollars) by the amount of 16,124 thousand dollars, thus recognized financial liabilities at fair value through profit or loss amounted 2,474 thousand dollars and recognized the gain on evaluation of convertible bonds amounted 2,342 thousand dollars were booked as non-operating income.

As of December 31, 2009, the convertible bonds had been redeemed by the amount of 986,100 thousand dollars.

12. LONG-TERM LOANS

(1) Long-term loans consist of the following:

	Interest Rate		Period	Amount	
	December 31, 2009	December 31, 2008		December 31, 2009	December 31, 2008
Financial Institutions					
Secured loan	3.33%~5.40%	3.00%~5.06%	2005.03.17- 2011.09.18	\$129,067	\$192,933
Credit loan	1.00%~2.04%	1.00%~2.55%	2004.08.03- 2022.12.31	328,425	29,133
Total				457,492	222,066
Less : Current Portion				(72,337)	(91,008)

Net

\$385,155 \$131,058

- (2) The payment is made by every month or by every quarter. The loan term from China Development Industrial Bank was made when dues.
- (3) The Company, the borrower, agreed that the liability ratio could not be higher than one and the current ratio could not be lower than 90% in the loan agreement with the lender, Mega International Commercial Bank.
- (4) Please refer to Note VI for details of assets pledged as collaterals.

13. ACCURED PENSION LIABILITIES

- (1) The net periodic pension cost for 2009 and 2008 was as follows:

	<u>2009</u>	<u>2008</u>
Service cost	\$1,140	\$1,341
Interest cost	694	1,196
Expected return on plan assets	(544)	(568)
Net amortization and deferral	(48)	641
Net periodic pension cost	<u>\$1,242</u>	<u>\$2,610</u>

- (2) As of December 31, 2009 and 2008, the reconciliations between the funding status of the pension plan and the accrued pension liability were as follows:

	<u>As of December 31,</u>	
	<u>2009</u>	<u>2008</u>
Actuarial present value of benefit obligations:		
Vested benefit obligation	\$(457)	\$-
Non-vested benefit obligation	(26,204)	(23,065)
Accumulated benefit obligations	(26,661)	(23,065)
Effect of projected future salaries increase	(5,027)	(4,707)
Total projected benefit obligation	(31,868)	(27,772)
Fair value of plan assets	23,100	21,761
Status of pension plan	(8,768)	(6,011)
Unrecognized net assets at transition date	394	492
Unrecognized pension loss/(benefit)	(1,809)	(5,271)
Accrued pension liabilities	<u>\$(10,183)</u>	<u>\$(10,790)</u>

The amounts of accrued pension liability as of December 31, 2009 and 2008 were by 1,688 thousand dollars, respectively and booked under accrued expenses.

(3)The following main assumptions for determining the actuarial present value were as follows:

	As of December 31,	
	2009	2008
Discount rate	2.25%	2.50%
Rate of projected future salaries increase	1.00%	1.00%
Expected long-term rate of return on plan assets	2.25%	2.50%

(4)As of December 31, 2009 and 2008, the vested benefit obligation of the Company's pension plan amounted to 457 thousand dollars and 0 thousand dollars, respectively.

(5)Under the Act, the employer's monthly rate of contribution to the pension fund from July 1, 2005, should be at least 6% of the employees' monthly wages. The pension costs 2009 and 2008 under defined contribution plan amounted to 15,854 thousand dollars and 16,044 thousand dollars, respectively, 2,281 thousand dollars and 2,494 thousand dollars booked under accrued expenses, respectively.

14. CAPITAL STOCK

As of January 1, 2008 the Company's authorized stock capital was 3,000,000 thousand dollars divided into 300,000,000 shares at 10 dollars per share. However, total issued stock capital was 2,213,308 thousand dollars divided into 221,330,854 shares at 10 dollars per share.

The Company converted the convertible bonds amounted 259,800 thousand dollars into 4,684,942 shares of common stock. And 4,346,932 shares were finished the conversion registration in 2007 but the rest of 338,010 shares finished conversion registration in the first half of 2008. On September 10, 2007, the Company resolved by board of director meeting to perform the capital injection amounted 50,000 thousand dollars at \$162 per share and ex-right date was January 11, 2008. Therefore, the Company's authorized stock capital was 3,000,000 thousand dollars divided into 300,000,000 shares at 10 dollars per share, but total issued 226,668,864 shares.

On June 13, 2008, the Company resolved by the shareholders' meeting to approve the capital injection by retaining earnings amounted 68,276 thousand dollars and by employees' bonuses amounted 7,759 thousand dollars. And on August 1, 2008, the Company resolved by board of directors that September 3, 2008 was the ex-right date for this capital injection. In addition, the Company converted the convertible bonds amounted 45,600 thousand dollars to 839,256 common shares.

On January 16, 2009, the Company resolved by the board of directors' meetings that the treasury stocks were subtracted by 3,500 thousand dollars; meanwhile, they resolved the capital reduction date became effective on January 17, 2009. After the capital reduction, the Company's authorized stock capital was 3,000,000 thousand dollars divided into 300,000,000 shares at 10 dollars per share, but 234,761,566 shares were issued.

On June 19, 2009, the Company resolved by the shareholders' meeting to approve the capital injection by retaining earnings amounted 211,286 thousand dollars and by employees' bonus amounted 6,523 thousand dollars. And on July 27, 2009, the board of directors meeting resolved that August 29, 2009 was the ex-right date for this capital injection. On October 26, 2009, the board of director meeting resolved to perform the capital injection amounted 170,000 thousand dollars at \$45 per share and ex-right date was December 11, 2009. Therefore, the Company's authorized stock capital was 3,000,000 thousand dollars divided into 300,000,000 shares at 10 dollars per share, but 273,542,450 shares were issued.

15. CAPITAL RESERVE

(1)Capital reserve consists of the following:

	As of December 31,	
	2009	2008
Additional paid-in capital in excess of par common stock	\$1,941,894	\$1,305,798
Additional paid-in capital-convertible premium	576,285	577,145
Treasury stock transactions	-	3,987
Additional paid-in capital from investee under equity method	662,526	509,305
Employee's stock options	19,294	8,817
Capital surplus-interest payable refund from bonds payable	2,693	2,693
Cash injection for abandonment of employee shares	4,235	-
Total	<u>\$3,206,927</u>	<u>\$2,407,745</u>

(2)The R.O.C. Company Law states that additional paid-in capital can only be used to offset deficit or to increase capital. No cash dividends can be declared from additional paid-in capital.

(3)Capital increases by way of asset revaluation surpluses or premiums on stock can only

be done once a year and such increases shall not exceed the prescribed limits.

- (4) On October 26, 2009, the Company resolved by board of directors to increase 17,000,000 shares through cash injection and reserved 15% of shares for employees' subscription. Based on regulations of Accounting Research and Development of R.O.C. to accounted for share-based payments and recognized the fair value amounted 22,440 thousand dollars on grant date, in which employees actually subscribed shares' amounted 18,205 thousand dollars and booked as capital surplus-premium for common stocks. In addition, the employees gave up their subscription shares amounted 4,235 thousand dollars were booked as capital surplus-others.

16. LEGAL RESERVE

- (1) The R.O.C. Company Law stipulates that a company must retain 10% of its annual net earnings as legal reserve until such retention equals the amount of issued shares capital. The legal reserve may be used to offset an accumulated deficit. However, up to 50% of the balance of legal reserve can be converted to capital stock upon approval at a stockholders' meeting when the balance of legal reserve reaches an amount equal to one-half of the issued capital stock.
- (2) The Company amended in the financial statement of fiscal year 2006 and 2007 of through retroactive adjustment in 2009. Also it amended part of figures in the earnings distribution statements of fiscal year 2006 and 2007. Therefore, the legal reserve was reversed by 3,769 thousand dollars.

17. DISTRIBUTION OF EARNINGS & DIVIDEND POLICY

(1) Distribution of earnings

The shareholder meeting resolved and passed the amendment of earnings distribution on June 13, 2008, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount after deducting items (a) and (b) as a legal reserve;
- d. Any remaining profit should be appropriated according to the following percentages:

(1) To appropriate, if available, no less than 5% as employees' bonuses.

(2) To appropriate, if available, no more than 2% as remuneration to directors

and supervisors.

- (3) The distribution of the remaining portion, if any, will be recommended by the board of directors and resolved in the shareholders' meeting.

However, before the shareholder meeting resolved and passed the amendment of earnings distribution on June 13, 2008, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount after deducting items (a) and (b) as a legal reserve;
- d. Any remaining profit should be appropriated according to the following percentages:
 - (1) Cash bonuses to shareholders are at a rate of 88%.
 - (2) Employees' bonuses are at a rate of 10%.
 - (3) Remuneration to directors and supervisors are at a rate of 2%.

(2) Dividend policy

The dividend distribution policy stipulated by the board of directors, basically it based on the Company's operational plan, investment plan, capital budget plan, and external or internal environment change. However, the Company's cash dividend policy should not distributed lesser than 10% of total shareholders' bonuses.

(3) 2008 earning distribution proposed as follows :

Item	2008 earning distribution		Difference	Description
	Shareholder Meeting resolved on June 19, 2009	The board of directors resolved on March 26, 2009		
Directors' and supervisors' remuneration	\$12,272	\$12,272	\$-	-
Employees bonus – Cash	30,000	30,000	-	-
Employees bonus – Stock				
Amount	31,358	31,358	-	-
Shares (\$10 per share)	652,343 shares	652,343 shares	-	-
Accounted for the proportion of outstanding shares as of December 31,	0.28%	0.28%	-	-

2007

Shareholders bonuses

Cash	328,666	328,666	-	-
Stock (\$10 per share)	21,128,541 shares	21,128,541 shares	-	-
Pro-forma earnings per share after the distribution of employees bonus and remuneration to directors and supervisors (Note)	\$4.62	\$4.62	-	-

Related information about the board of directors' recommendations and shareholders' resolutions for employees' bonus and remuneration to directors and supervisors are available on website of "Market Observation Post System"

- (4) As of January 1, 2008, the Company adopted to recognize employees bonus as expenses, thus the Company appropriate 10% employee bonus and 2% remuneration to directors and supervisors from net income after tax of FY2008. The distribution of employees' bonus and remuneration to directors and supervisors was based on the articles of association of the Company.

The Company did not estimate the amounts of the employee bonuses and remuneration to directors and supervisors in 2009 because of the net loss after tax. However, it estimated the amounts of the employee bonuses and remuneration to directors and supervisors for 2008 to be 61,358 thousand dollars and 12,272 thousand dollars respectively, and recognized as operating costs or operating expense for the period. The number of shares distributed as stock dividends was calculated based on the closing price one day earlier than the date of shareholders' meeting and considered the impacts of ex-right/ex-dividend. The difference between estimation with actual bonus resolved by shareholders' meeting will be booked in profit or loss of current year.

The bonus to employees and to supervisor and directors amounted 61,358 thousand dollars and 12,272 thousand dollars respectively for fiscal year 2008, which were approved in shareholders' meeting in June 2009. The approval bonus amount to employees and to supervisor and directors were the same as accrual by the Company.

18. EMPLOYEE STOCK OPTIONS

- (1) On December 21, 2007, The Company was authorized by Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan to issue employee stock options for 5,000,000 units. The Company issued its employee stock options

for 1,500,000 units on December 26, 2007 and 500,000 units on February 20, 2008, respectively. Each unit entitles an option to subscribe for 1 share of Company's common stock. Settlement upon the exercise of the options will be made through the issuance of new shares of the Company. An option may exercise the options in accordance with certain schedules as prescribed by the plan starting 2 years from the date of grant. The contractual life of the options is 5 years. For the year ended December 31, 2009 and 2008, it recognized its employee stock options as expense amounted to 10,477 thousand dollars and 8,817 dollar, respectively.

As of December 31, 2009, the Company had no cancelled or amendments to the stock options plan. The contractual life of the options is 5 years and there was no cash settling option and the Company does not have past practice of settling in cash.

Date of grant	Total number of options granted	Total number of options outstanding	Exercise price (NTD)
2008.12.26	1,500,000	1,500,000	136.40
2009.02.20	500,000	500,000	96.50

- ① The information on the Company's outstanding stock option as of December 31, 2009 and 2008 was as follows:

	2009		2008	
	Number of Option	Weighted-average exercise price per share (NTD)	Number of Option	Weighted-average exercise price per share (NTD)
Outstanding at beginning of period	2,000,000	\$126.43(Note2)	1,500,000	\$136.40(Note1)
Granted	-	-	500,000	96.50
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at end of period	<u>2,000,000</u>	<u>\$126.43(Note2)</u>	<u>2,000,000</u>	<u>\$126.43</u>
Exercisable at end of period	750,000		-	
Weighted-average fair value of options granted during the period (NTD)		\$-		\$49.18

Note 1 : The Company gave stock options for 1,500,000 units to its employees before effective date in accordance with R.O.C. SAFS NO. 39 and the employee stock options plan did not be amended, thus it did not adopt R.O.C. SAFS NO. 39.

Note2 : There are 1,500,000 units of stock option were grant to employees, but were not booked in by the Company since the stock options had been granted before R.O.C. SAFS NO39 was implemented.

② The information of the Company's outstanding stock options as of December 31, 2009. is as follows:

Range of exercise price (NTD)	Outstanding stock options			Exercisable stock options	
	Option	Weighted-average expected remaining years	Weighted-average exercise price (NTD)	Shares available to option holders	Weighted-average exercise price (NTD)
\$136.40	1,500,000	2.99 years	\$136.40	750,000	\$136.40
\$96.50	500,000	3.14 years	\$96.50	-	\$-

There were no any transactions for share based payment to employees in 2009.

③ As of December 26, 2007 and February 20, 2008, the Company performed the options pricing model and assumptions as follows :

	2008.02.20 issued 500,000 units	2007.12.26 issued 1,500,000 units (Note 1)
Expected dividend yield (%)	2.82%	1.98%
Expected volatility (%)	79.00%	58.50%
Risk-free interest rate (%)	2.1973%	2.6350%
Expected life (year)	5 years	5 years
Weighted-average share price (\$)	\$120.5	\$172
Option pricing model	Binomial	Binomial
Actual forfeiture	-%	-%
Estimated future forfeiture	-%	-%

Note 1: In 2007 (before effective date in accordance with R.O.C. SAFS NO. 39), the assumptions were used to disclose the pro forma data. The stock options' expected duration are based on historical data rather than actual execution condition by the employees. Expected volatility is based on an estimate or

forecast of future trend but expected volatility may close to the actual conditions.

- ④ The Company used the intrinsic value method to recognize compensation costs for stock options issued on December 26, 2008. Compensation costs for the years ended on December 31, 2009 and 2008 were 0 dollar.

The Company granted options prior to adopting R.O.C. SFAS No. 39 “Accounting for Share-Based Payment.” Pro forma information using the fair value method on net income and earnings per share is as follows:

	2009	2008
Income (loss) from continuing operations before income tax	\$(773,975)	\$1,673,342
Pro forma income (loss) from continuing operations before income tax	\$(786,022)	\$1,661,211
Earnings per share (NTD)	\$(3.01)	\$6.55
Pro forma earnings per share (NTD)	\$(3.06)	\$6.50
Diluted earnings per share (NTD)	Note	\$6.19
Pro forma diluted earnings per share (NTD)	Note	Note

Note: The effects of anti-dilutive potential ordinary shares are ignored in calculating diluted Earnings Per Share.

- (2) On December 29, 2008, The Company’s subsidiary issued employee stock options for A option 19,500,000 units and B option 22,769,163 units. Each unit entitles an option to subscribe for 1 share of the Company’s subsidiary’s common stock. Settlement upon the exercise of the options will be made through the issuance of new shares of the Company’s subsidiary. An option may exercise the options in accordance with certain schedules as prescribed by the plan. The contractual life of A option and B option were 4 months and 2 years respectively. For the year ended December 31, 2009 and 2008, it recognized its employee stock options as expense amounted to 117,510 thousand dollars and 0 dollar, respectively.

As of December 31, 2009, the company subsidiary’s had no cancelled or amendments to the stock options plan. The contractual life of the options were 4 months and 2 years respectively and there was no cash settling option and the company subsidiary’s does not have past practice of settling in cash.

Item	Date of grant	Total number of options granted	Total number of options outstanding	Exercise price (HKD)
A Option	2008.12.29	19,500,000	-	1.974

B Option	2008.12.29	22,769,163	21,094,163	1.974
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- ① The information on the Company subsidiary's outstanding stock option as of December 31, 2009 and 2008 was as follows:

	2009		2008	
	Number of Option	Weighted-average exercise price per share (HKD)	Number of Option	Weighted-average exercise price per share (HKD)
Outstanding at beginning of period	42,269,163	\$1.974	-	\$-
Granted	-	-	-	-
Exercised	10,890,000	1.974	42,269,163	1.974
Forfeited	-	-	-	-
Expired	10,285,000	1.974	-	-
Outstanding at end of period	<u>21,094,163</u>	<u>\$1.974</u>	<u>42,269,163</u>	<u>\$1.974</u>
Exercisable at end of period	21,094,163		19,500,000	
Weighted-average fair value of options granted during the period (NTD)		\$-		\$1.870

- ② The information of the Company subsidiary's outstanding stock option as of December 31, 2009 is as follows:

Range of exercise price (HKD)	Outstanding stock options			Exercisable stock options	
	Option	Weighted-average expected remaining years	Weighted-average exercise price (HKD)	Shares available to option holders	Weighted-average exercise price (HKD)
\$1.974	21,094,163	1.00 years	\$1.974	21,094,163	\$1.974

There were no any transactions for share based payment to employees in 2009.

- ③ As of December 29, 2008, the Company subsidiary's performed the options pricing model and assumptions as follow:

2008.12.29 issued	2008.12.29 issued
<u>A option 19,500,000</u>	<u>B option 22,769,163</u>

	units	units
Expected dividend yield (%)	1.90%	1.90%
Expected volatility (%)	111.647%	87.08%
Risk-free interest rate (%)	0.020%	0.591%
Expected life (year)	0.3year	2years
Weighted-average share price (\$)	HDK 1.974	HDK 1.974
Option pricing model	Binomial	Binomial
Actual forfeiture	-%	-%
Estimated future forfeiture	-%	-%

(3) The Company's subsidiary held shares for employees subscribing when performed cash capital injection by the Company; thus, recognized expenses amounted 117,649 thousand dollars.

19. TREASURY STOCK

(1) Shares held by the subsidiary, Heli-Vantech Corp., shares change in 2009 and 2008 were as follows:

	Number of shares as of January 1	Increase	Decrease	Number of shares as of December 31
<u>2009</u>				
Shares held by investee	6,015	866	-	6,881
<u>2008</u>				
Shares held by investee	14,840	175	9,000	6,015

The book value, market value and disposal price of treasury stock are as follows:

	Disposal of treasury stock	Book value	Market value or invested capital
2008.12.31	\$108	\$28	\$266

(2) The Company has a practice of buying its own shares from open market on September 23, 2008, receptively. As of December 31, 2009, the shares changes were as follows:

Years	Reasons	Shares number as of January 1	Increase	Decrease	Shares number as of December 31
2009	To maintain the	350,000	-	350,000	-

Company's reputation
and shareholders' equity

According to the Securities Exchange Law of R.O.C., the total shares of treasury stock shall not exceed 10% of the Company issued stock, and the total purchase amount shall not exceed the sum of the retained earnings, additional paid-in-capital-premium, and realized additional paid-in capital. As such, the maximum number of shares of treasury stock that the Company could hold as of December 31, 2009 was 27,354 thousand shares, while the ceiling amount was NT 4,036,816 thousand dollars. As December 31, 2009, the Company had no treasury stock.

On January 16, 2009 the Company resolved by the board of directors that the treasury stocks were subtracted amounted 3,500 thousand dollars by the reason that originally the Company was to maintain its creditability and equity. Therefore, the treasury stocks were subtracted 19,739 thousand dollars based on the shares' proportion, resulting the decreased capital amount, the decreased capital surplus-common stock, and decreased capital surplus-premium from convertible bonds transferred, capital surplus-treasury stock transactions and un-appropriated retained earnings were 3,500 thousand dollars, 1,944 thousand dollars, 860 thousand dollars, 3,987 thousand dollars and 9,448 thousand dollars respectively.

- (3) Treasury stocks do not have voting right in accordance with the Company Laws of R.O.C. However, the Company's shares held by its investees accounted for as treasury stock still have shareholder' rights.
- (4) In compliance with Securities and Exchange law of the R.O.C., the total share of treasury shall not be pledged, nor could it be entitled to voting rights or receiving dividends. Stock held by subsidiaries is treated as treasury stock. These subsidiaries have the same rights as other stockholders except for subscription to new stock issuance. When the investees purchased treasury shares, which should be transferred to the employees in 3 years, otherwise the treasury shares were treated as non-issued shares, and the Company should perform the capital deduction subsequently.

20. SALES

	2009	2008
Gross sale	\$6,349,281	\$11,397,627
Service revenue	62,047	38,182
Less: Sales returns and allowances	(60,633)	(124,999)
Net sales	<u>\$6,350,695</u>	<u>\$11,310,810</u>

21. LABOR COST, DEPRECIATION AND AMORTIZATION EXPENSE

	2009			2008		
	Operating cost	Operating Expenses	Total	Operating cost	Operating Expenses	Total
Labor cost						
Salaries	\$343,704	\$173,726	\$517,430	\$344,405	\$170,089	\$514,494
Labor and health insurance	19,513	6,455	25,968	18,415	6,471	24,886
Pension	11,896	5,200	17,096	12,683	5,971	18,654
Others	87,600	45,542	133,142	136,970	52,996	189,966
Depreciation	545,038	55,035	600,073	412,166	65,187	477,353
Amortization	59,160	44,243	103,403	34,784	31,045	65,829

22. INCOME TAX AND DEFERRED INCOME TAX

	As of December 31,			
(1) Deferred income tax assets and liabilities:	2009		2008	
① Total deferred tax assets	\$356,442		\$245,765	
② Total deferred tax liabilities	\$22,031		\$-	
③ Valuation allowance for deferred tax assets	\$58,491		\$33,194	
	As of December 31,			
	2009		2008	
④ Details of deferred tax assets or liabilities	Balance	Tax effect	Balance	Tax effect
Bad debt provision	\$6,528	\$1,305	\$5,476	\$1,369
Unrealized loss on inventory valuation	120,321	24,064	227,580	56,895
Unrealized exchange gain	6,158	1,232	1,043	261
Pension expense	9,837	1,968	9,837	2,459
Affiliated unrealized gross profit on sales	16,420	3,284	65,582	16,396
Unpaid liability transferred to revenue	2,048	410	2,048	512
Gain on valuation of financial assets	(626)	(125)	-	-
Investment income from technical share	34,852	6,970	42,882	10,721
Other expense		204,435		120,615
Other gain		(21,906)		-
Loss carry forward	256,557	51,311	-	-
⑤ Investment tax credit		13,316		873

© Loss carry forward- the subsidiary	240,735	48,147	142,656	35,664
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	As of December 31,	
	2009	2008
(2) Deferred income tax assets-current	\$34,100	\$78,915
Less: Valuation allowance	(7,104)	(11,656)
Net deferred tax assets-current	26,996	67,259
Deferred income tax liabilities-current	(22,031)	-
Net deferred tax assets and liabilities-current	\$4,965	\$67,259
	Note	

Note : When 4,965 thousand dollars consists of deferred income tax assets- current amounted 26,871 thousand dollars, but the deferred income tax liabilities- current amounted 21,906 thousand dollars.

	As of December 31,	
	2009	2008
(3) Deferred income tax assets-noncurrent	\$322,342	\$166,850
Less: Valuation allowance	(51,387)	(21,538)
Net deferred tax assets-noncurrent	270,955	145,312
Deferred income tax liabilities-noncurrent	-	-
Net deferred tax assets and liabilities-noncurrent	\$270,955	\$145,312

(4) The reconciliation between income tax payable and income tax expense for 2009 and 2008 were as follows:

	2009	2008
Income tax payable	\$-	\$526,023
Deferred income tax debit/(credit) for:		
Bad debt provision	(263)	(1,369)
Unrealized exchange gain or loss	(1,279)	(555)
Affiliated unrealized gross loss on sales	12,291	8,688
Unrealized loss/(profit) on inventory valuation	26,815	(50,874)
Unpaid liabilities transferred to revenue	-	(132)
Technical share transferred to revenue	2,008	2,008
Loss on valuation of financial liability	156	-
10% income surtax on undistributed earnings	26,894	24,034
Investment tax credit	(21,825)	(13,129)
Tax credits from losses carry forward	(64,139)	-

Tax credits from losses carry forward - the subsidiary	(24,519)	(21,032)
The reverse of valuation allowance	25,297	17,880
Impact from tax rate change of deferred tax assets/liabilities	34,641	-
Prior year's adjustments	(51,307)	-
Other expense	(83,820)	(114,802)
Other gain	21,906	-
Income tax expenses(benefit)	<u>\$(97,144)</u>	<u>\$376,740</u>

(5) The tax department has assessed and approved the income tax returns of the company for the years through 2005.

(6) In accordance with the R.O.C. Statute for Upgrading Industries, the Company's 2004 capital increase related to the manufacturing of spun bonded nonwovens was approved by the government authorities such that the incremental income derived from selling the related products will be tax exempt for a period of five years, effective on January 1, 2004.

(7) As of December 31, 2009, the Company's investment tax credit based on Statute for Upgrading Industries was as follows:

<u>Year occurred</u>	<u>Investment tax credits earned</u>	<u>Balance of unused investment tax credits</u>	<u>Expiration year</u>
2009	<u>\$1,019</u>	<u>\$1,019</u>	2013

(8) As of December 31, 2009, the Company subsidiary's investment tax credit based on Statute for Upgrading Industries was as follows:

<u>Year occurred</u>	<u>Investment tax credits earned</u>	<u>Balance of unused investment tax credits</u>	<u>Expiration year</u>
2009	\$398	\$398	2012
2009	6,983	6,983	2013
2009	3	3	2011
2009	471	471	2012
2009	4,442	4,442	2013
Total	<u>\$12,297</u>	<u>\$12,297</u>	

(9) Losses to be carried forward for a limited number of years as tax credits as of December 31, 2009 were as follows:

<u>Year of loss</u>	<u>Expiration year</u>	<u>Amount</u>
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2009	2019	\$256,557
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(10) Losses to be carried forward - the subsidiary for a limited number of years as tax credits as of December 31, 2009 were as follows:

Year of loss	Expiration year	Amount
2006	2016	\$2,382
2007	2017	54,228
2008	2018	85,504
2009	2019	98,621
Total		\$240,735

(11) Imputation credit account and creditable ratio information as of and for the years ended December 31, 2009 and 2008 were as follows:

	As of December 31,	
	2009	2008
Balance of imputed tax credits account	\$143,319	\$181,742
Un-appropriated retained earnings from 1998	\$478,434	\$1,379,311
	2009(Estimated)	2008(Actual)
Creditable ratio for earnings distribution	31.53%	19.24%

23. EARNINGS PER SHARE

The complex capital structure with weighted average number of shares outstanding is calculated as follows:

	2009	2008
Number of shares outstanding at the beginning of period	234,761,566	221,668,864
Treasury stock purchased by the Company's subsidiary	(6,015)	(14,840)
Sold treasury stock by the Company's subsidiary		7,964
Capital injection by cash		4,863,014
Capital injection by shares (Employees bonuses transferred to common stock)		774,972
Capital injection by earning (Retained earning transferred to capital stock)		6,819,747
Capital injection by bonds conversion (Convertible bonds transferred to common stock)		278,215
Capital injection by shares (Employees bonuses transferred to common stock)	350,299	

Capital injection by earning (Retained earning transferred to capital stock)	21,128,000	21,091,302
Capital injection by cash	978,082	
Long-term investment translated treasury stock	(19)	
Treasury stock		(50,137)
Weighted average number of shares outstanding	<u>257,211,913</u>	<u>255,439,101</u>

Basic and diluted earnings per share are computed as follows:

	Amount (Numerator)		Shares (Denominator)	Earnings per share (NTD)	
	Pre-tax	Post-tax		Pre-tax	Post-tax
<u>2009</u>					
Earnings per share-basic					
Total consolidated loss	<u>\$(773,975)</u>	<u>\$(676,831)</u>	257,211,913	<u>\$(3.01)</u>	<u>\$(2.63)</u>
Attributable to:					
Shareholders of the parent		\$(246,961)			\$(0.96)
Minority interest		(429,870)			(1.67)

Note : When calculating the diluted earnings per share, the anti-dilutive potential ordinary shares are not included.

<u>2008</u>					
Earnings per share-basic					
Total consolidated income	<u>\$1,673,342</u>	<u>\$1,296,602</u>	255,439,101	<u>\$6.55</u>	<u>\$5.08</u>
Attributable to:					
Shareholders of the parent		\$1,082,853			\$4.24
Minority interest		213,749			0.84
Effect of dilution					
Employees bonus			1,388,193		
Convertible bonds	(38,285)	(38,285)	7,510,802		
Earnings per share-diluted					
Total consolidated income	<u>\$1,635,057</u>	<u>\$1,258,317</u>	264,338,096	<u>\$6.19</u>	<u>\$4.76</u>
Attributable to:					
Shareholders of the parent		\$1,044,568			\$3.95
Minority interest		213,749			0.81

For the years 2009 and 2008, it was assumed the Company's subsidiaries invested the Company not accounted for as treasury stocks as follows:

	<u>Amount (Numerator)</u>		<u>Shares (Denominator)</u>	<u>Earnings per share (NTD)</u>	
	<u>Pre- tax</u>	<u>Post-tax</u>		<u>Pre- tax</u>	<u>Post-tax</u>
	<u>2009</u>				
Earnings per share-basic					
Total consolidated net loss	<u>\$(733,975)</u>	<u>\$(676,831)</u>	257,217,947	<u>\$(3.01)</u>	<u>\$(2.63)</u>
Attributable to:					
Shareholders of the parent		\$ (246,961)			\$(0.96)
Minority interest		(429,870)			(1.67)

Note : When calculating the diluted earnings per share, the anti-dilutive potential ordinary shares are not included.

<u>2008</u>					
Earnings per share-basic					
Total consolidated net income	<u>\$1,673,406</u>	<u>\$1,296,666</u>	255,445,977	<u>\$6.55</u>	<u>\$5.08</u>
Attributable to:					
Shareholders of the parent		\$1,082,917			\$4.24
Minority interest		213,749			0.84
Effect of dilution					
Bonus to employees			1,388,193		
Convertible bonds payable	(38,285)	(38,285)	7,510,802		
Earnings per share-diluted					
Total consolidated net income	<u>\$1,635,121</u>	<u>\$1,258,381</u>	264,344,972	<u>\$6.19</u>	<u>\$4.76</u>
Attributable to:					
Shareholders of the parent		\$1,044,632			\$3.95
Minority interest		213,749			0.81

V. RELATED PARTY TRANSACTIONS

A. Name and relationship of related parties:

<u>Name of related parties</u>	<u>Relationship with the Company</u>
Neo Solar Power Corp.	Heli-Vantech Corp.'s president of Neo Solar Power Corp.

Space Energy Corp.	Solargiga Energy Holdings Limited's major stockholders
Jinzhou Changhua Carbon Products Company Limited	Related party in substance
Jinzhou Huarong Property Management Company Limited	Related party in substance
Jinzhou Youxin Electronic Materials Company Limited	Related party in substance
Jinzhou Huachang Photovoltaic Technology Co., Ltd.	Related party in substance
Jinzhou Aoke New Materials Co., Ltd.	Related party in substance
Jinzhou Jingxin Semi-conductor Material Co., Ltd.	Related party in substance
Kinmac Solar Corp.	Related party in substance
Chiao Ping Hai and 7 other officers	The Company's director
Wang Tai Juan and 3 other officers	The Company's supervisors
Yen Ming-Jare and 3 other officers	The Company's key management personnel

B. Related party transactions:

(1) Sales

	2009	2008
Jinzhou Huachang Photovoltaic Technology Co., Ltd.	\$946,244	\$79,433
Neo Solar Power Corp.	203,509	60,184
Space Energy Corp.	74,627	196,237
Jinzhou Aoke New Materials Co., Ltd.	41,809	3,022
Jinzhou Changhua Carbon Products Company Limited	198	-
Jinzhou Huarong Property Management Company Limited	145	-
Total	<u>\$1,266,532</u>	<u>\$338,876</u>

Selling prices to related parties were the same as those to non-related parties. And collection term was 30~60 days after delivery for related and non-related parties.

(2) Purchase

	2009	2008
Jinzhou Youxin Electronic Materials Company Limited	\$150,928	\$112,756
Jinzhou Changhua Carbon Products Company Limited	69,560	122,534
Jinzhou Huachang Photovoltaic Technology Co., Ltd.	35,610	-
Jinzhou Aoke New Materials Co., Ltd.	23,996	-
Jinzhou Huarong Property Management Company Limited	6,170	6,979
Jinzhou Jingxin Semi-conductor Material Co., Ltd.	5,057	-
Kinmac Solar Corp.	315	-
Space Energy Corp.	286	33,468
Neo Solar Power Corp.	-	61,183
Total	<u>\$291,922</u>	<u>\$336,920</u>

Purchase price from related parties was the same as those to non-related parties. And payment term was 30~60 days after delivery for related and non-related parties.

(3) Accounts receivable-related parties

	As of December 31,	
	2009	2008
Jinzhou Huachang Photovoltaic Technology Co., Ltd.	\$413,317	\$-
Neo Solar Power Corp.	17,161	-
Jinzhou Aoke New Materials Co., Ltd.	16,117	-
Space Energy Corp.	-	34,006
Jinzhou Changhua Carbon Products Company Limited	-	20,844
Total	<u>\$446,595</u>	<u>\$54,850</u>

(4) Other receivable-related parties

Jinzhou Huachang Photovoltaic Technology Co., Ltd.	\$469	\$-
Jinzhou Huarong Property Management Company Limited	103	-
Total	<u>\$572</u>	<u>\$-</u>

(5) Prepayment

Jinzhou Changhua Carbon Products Company Limited	<u>\$9,409</u>	<u>\$-</u>
--------------------------------------------------	----------------	------------

(6) Accounts payable-related parties

Jinzhou Youxin Electronic Materials Company Limited	\$53,040	\$29,546
Jinzhou Changhua Carbon Products Company Limited	51,427	55,385
Jinzhou Aoke New Materials Co., Ltd.	1,764	-
Jinzhou Huachang Photovoltaic Technology Co., Ltd.	624	96,321
Neo Solar Power Corp.	-	11
Total	<u>\$106,855</u>	<u>\$181,263</u>

(7) Other payables-related parties

Neo Solar Power Corp.	<u>\$10</u>	<u>\$3,407</u>
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(8) Advance sales receipts (current portion included)

Neo Solar Power Corp.	<u>\$258,416</u>	<u>\$259,331</u>
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To extend long-term business, the Company cooperated with its suppliers via strategic alliances. During year 2008, the Company signed the long-term sales contract with Neo Solar Power Corporation. The Company provided solar cells to Neo Solar Power Corporation from January 1, 2009 to December 31, 2016. Also, Neo Solar Power Corporation paid the Company amounted to USD 26,693 thousand

in advance. As of December 31, 2009, the Company received 259,331 thousand dollars (equivalents to USD 8,008 thousand) was recorded as advance receipts and long-term advance receipts. As of December 31, 2009, the Company reversed its advance receipts amounted 915 thousand dollars (equivalents to USD 28 thousand) because it began to sell its products to Neo Solar Power Corporation in 2009.

(9)The Company and its subsidiaries rented a factory from their related parties in details as follows:

<u>Name of Related Parties</u>	<u>Leased items</u>	<u>Period</u>	<u>Rent/Month</u>	<u>Rent expense</u>	<u>Deposit</u>
<u>2009</u>					
Neo Solar Power Corp.	Buildings	2009.09.01~ 2010.08.31	\$10	\$120	\$10
Jinzhou Huachang Photovoltaic Technology Co., Ltd.	Buildings	2009.08.01~ 2014.07.31	\$463	\$2,316	\$449

(10) Purchases of property, plant and equipment:

<u>Name of Related Parties</u>	<u>Item</u>	<u>Purchase price</u>	<u>To determine on the price</u>
<u>2009</u>			
Jinzhou Huachang Photovoltaic Technology Co., Ltd.	Machinery and equipment	<u>\$9,646</u>	bargaining position

(11) Compensation of key management personnel

<u>Item</u>	<u>2009</u>	<u>2008</u>
Salary, bonus, allowance, professional practice	<u>\$6,523</u>	<u>\$11,919</u>

For detail of total compensation paid to the Company's key management personal including Directors, Supervisors, President, Vice-Resident and Chief Technology Officers, please refer to annual report for the Company.

VI. ASSETS PLEDGED OR MORTGAGED

1. As of December 31, 2009 and 2008, the assets were pledged as follows:

<u>Assets</u>	<u>Amount</u>	<u>Purpose of pledge</u>
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<u>As of December 31, 2009</u>		
Restricted Cash	\$4,536	Science Park Administration guarantee
Restricted Cash	6,549	Customs duty guarantee
Land	258,550	Collateral for long-term loan
Buildings	141,785	Collateral for long-term loan
Machineries and Equipment	91,865	Collateral for long-term loan
Total	<u>\$503,285</u>	
<u>As of December 31, 2008</u>		
Restricted Cash	\$144,900	Endorse guaranteeing for the subsidiary
Restricted Cash	4,536	Science Park Administration guarantee
Restricted Cash	9,534	Customs duty guarantee
Land	258,550	Collateral for long-term loan
Buildings	145,910	Collateral for long-term loan
Machineries and Equipment	141,469	Collateral for long-term loan
Total	<u>\$704,899</u>	

2. As of December 31, 2009 and 2008, the following assets of the subsidiary were pledged as collateral:

<u>Assets</u>	<u>Amount</u>	<u>Purpose of pledge</u>
<u>As of December 31, 2009</u>		
<u>Wafer Works (Shanghai) Corp.</u>		
Restricted Cash	\$2,606	Taxation Account
Restricted Cash	17,594	Collateral for short-term loan
<u>Wafer Works Epitaxial Corp.</u>		
Restricted Cash	117	Taxation Account
Restricted Cash	938	Customs duty guarantee
Buildings	188,456	Collateral for long-term loan
Machineries and Equipment	224,089	Collateral for long-term loan
Land occupancy right	33,187	Collateral for long-term loan
<u>Solargiga Energy Holdings</u>		
<u>Limited and subsidiaries</u>		
Restricted Cash	206,696	L/C guarantee
Total	<u>\$673,683</u>	
<u>As of December 31, 2008</u>		
<u>Wafer Works (Shanghai) Corp.</u>		
Restricted Cash	\$49,369	Taxation Account
<u>Wafer Works Epitaxial Corp.</u>		
Restricted Cash	107	Taxation Account
Restricted Cash	587	L/C guarantee
Restricted Cash	963	Customs duty guarantee

Buildings	207,456	Collateral for long-term loan
Machineries and Equipment	299,834	Collateral for long-term loan
Land occupancy right	34,799	Collateral for long-term loan
<u>Solargiga Energy Holdings</u>		
<u>Limited and subsidiaries</u>		
Refundable deposits	<u>119,973</u>	L/C guarantee
Total	<u><u>\$713,088</u></u>	

VII. COMMITMENTS AND CONTINGENT LIABILITIES

1. As of December 31, 2009, outstanding contracts related to purchased fixed assets were as follows :

<u>Contractor</u>	<u>Type of Asset</u>	<u>Total Amount</u>	<u>Amount made to date</u>	<u>Amount outstanding</u>
Mipox International Trading Co., Ltd.	Equipment	\$14,461	\$11,673	\$2,788
Sincere Equipment Service Inc	Equipment	10,317	8,288	2,029
Total		<u>\$24,778</u>	<u>\$19,961</u>	<u>\$4,817</u>

Amount made to date for contracts to purchase fixed assets was presented under prepayments on equipment.

2. As of December 31, 2009, outstanding contracts related to the purchased fixed assets of subsidiary were as follows:

<u>Contractor</u>	<u>Type of Asset</u>	<u>Total Amount</u>	<u>Amount made to date</u>	<u>Amount outstanding</u>
Supplier A	Equipment	\$713,154	\$220,515	\$492,639
Supplier B	Equipment	140,037	140,037	-
Supplier C	Construction in progress	124,239	11,949	112,290
Supplier D	Construction in progress	107,988	61,791	46,197
Supplier E	Construction in progress	86,658	81,966	4,692
Supplier F	Construction in progress	58,788	53,622	5,166
Supplier G	Equipment	8,273	8,273	-
Total		<u>\$1,239,137</u>	<u>\$578,153</u>	<u>\$660,984</u>

Amount made to date for contracts related to the purchase fixed assets was presented under construction in progress and prepayment on equipment.

3. The Company signed a six-year purchase contract for material with Tokuyama Corporation for the period from January 1, 2008 through December 31, 2013 for the stabilization of material source and to enhance the relationship with the supplier. As of December 31, 2009, the Company had agreed to pay its supplier's deposit amounted to USD 8,300 thousand dollars and did fully pay the deposit as refundable deposits.
4. The Company signed a nine-year material procurement contract with an international company for period from January 1, 2009 through December 31, 2017 for the stabilization of material source and to enhance the relationship with the supplier. As of 31 December, 2008, the Company had agreed to pay its supplier EUR 30,100 thousand dollars in advance, As of December 31, 2009, the Company reversed its payment in advance amounted EUR 768 thousand dollars because it began to purchase products during 2009.
5. The Company signed an eight-year purchase contract with OCI Company Ltd. for the period from January 1, 2009 through December 31, 2016 for the stabilization of material source and to enhance the relationship with the supplier. As of December 31, 2009, the Company had agreed to pay OCI amounted USD 63,516 thousand dollars in advance, the Company did pay amounted to USD 29,796 thousand dollars as prepaid expenses and long-term prepayment for materials. As of December 31, 2009, the Company reversed its payment in advance by USD 645 thousand dollars because it began to purchase the products from OCI Company Ltd. in 2009.
6. To extend long-term business, the Company cooperated with its customers via strategic alliances. As of December 31, 2008, it signed the long-term sales contract with its customers. The Company will provide the silicon wafer solar to its customers from January 1, 2011 to December 31, 2016. Also, its customers agreed to pay the Company amounted to USD 29,565 thousand dollars in advance. As of December 31, 2009, the Company did receive USD 17,739 thousand dollars was booked as long-term advanced receipts.
7. The Company signed the long-term sales contract with Neo Solar Power Corporation. Please refer to Notes V.B.(8).

VIII. SIGNIFICANT DISASTER LOSS

None.

IX. SIGNIFICANT SUBSEQUENT EVENT

None.

X. OTHER

1. FAIR VALUE OF THE FINANCIAL INSTRUMENTS:

	As of December 31,			
	2009		2008	
	Book Value	Fair Value	Book Value	Fair Value
<u>Non-derivative financial instruments</u>				
Assets				
Cash and cash equivalents	\$2,363,665	\$2,363,665	\$3,785,204	\$3,785,204
Notes and accounts receivable-net (from related parties included)	1,895,566	1,895,566	1,297,662	1,297,662
Other receivables	684,202	684,202	256,364	256,364
Restricted cash	239,036	239,036	209,996	209,996
Available-for-sale financial assets	366,817	366,817	-	-
Financial assets measured at cost	-	-	225,607	225,607
Refundable deposits	543,366	543,366	411,156	411,156
Liabilities				
Short-term loans	4,510,824	4,510,824	3,732,616	3,732,616
Short-term notes and bills payable	239,854	239,854	-	-
Accounts payable (to related parties included)	944,416	944,416	670,367	670,367
Accrued expenses	245,182	245,182	390,252	390,252
Other payables (to related parties included)	165,662	165,662	180,481	180,481
Payable on equipment	76,632	76,632	240,221	240,221
Bonds payable (include current portion)	12,634	12,634	866,604	866,604
Long-term loans (include current portion)	457,492	457,492	222,066	222,066
<u>Derivative financial instruments</u>				
Financial assets at fair value through profit or loss				
Forward exchange contracts	626	626	-	-
Financial liabilities at fair value through profit or loss				
Embedded derivative for Convertible Bonds	1,283	1,283	78,934	78,934

2. The methods and assumptions used to measure the fair value of financial instruments were as follows :

A. The fair value of short-term financial instruments was estimated to approximate their book values because of the short maturities. This method is used to evaluate cash and

cash equivalents, notes and accounts receivable-net (include related parties), other receivables, short-term loans, short-term notes and bills payable, accounts payable (include related parties), accrued expenses, other payables (include related parties) and payable on equipment.

- B. If an active market exists for available-for-sale financial asset, the quoted price in the market as fair value.
- C. The fair value of restricted cash and refundable deposits were estimated to approximate their book value because the deposit periods were principally within one year and renewed upon maturity.
- D. The fair value of financial assets measured at cost was unable to be estimated since there was no active market in trading those unlisted investments.
- E. The fair value of long-term loans was determined using discounted cash flow analysis, based on the company current incremental borrowing rates for borrowings with similar types.
- F. For the bonds issued after January 1, 2006 with no quoted market prices, their fair values were determined using valuation techniques incorporating estimates and assumptions that were consistent with prevailing market conditions.
- G. The fair values of derivative financial instruments which include unrealized gains or losses on unsettled contracts were determined based on the amounts to be received or paid assuming that the contracts were settled as of the reporting date.
3. The fair value of the Company with subsidiaries' financial instruments was determined by the quoted prices in active markets, or if the market for a financial instrument is not active, the Company establishes fair value by using a valuation technique.

	Active market quotation		Valuation technique	
	2009.12.31	2008.12.31	2009.12.31	2008.12.31
<u>Non-derivative financial instruments</u>				
<u>-Assets</u>				
Cash and cash equivalents	\$2,224,665	\$2,215,236	\$139,000	\$1,569,968
Notes and Accounts receivable-net (from related parties included)	-	-	1,895,566	1,297,662
Other receivables	-	-	684,202	256,364
Restricted cash	210,357	51,026	28,679	158,970
Refundable deposits	-	-	543,366	411,156

Derivative financial instruments-Assets

Forward exchange contracts	-	-	626	-
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Non-derivative financial instruments-Liabilities

Short-term loans	4,510,824	3,732,616	-	-
Short-term notes and bills payable	-	-	239,854	-
Accounts payable (to related parties included)	-	-	944,416	670,367
Accrued expenses	-	-	245,182	390,252
Other payables (to related parties included)	-	-	165,662	180,481
Payable on equipment	-	-	76,632	240,221
Bonds payable (include current portion)	-	-	12,634	866,604
Long-term loans (include current portion)	457,492	222,066	-	-

Derivative financial instruments-Liabilities

Embedded derivative for Convertible Bonds	-	-	1,283	78,934
-------------------------------------------	---	---	-------	--------

- The Company with subsidiaries recognized gain of (20,454) thousand dollars and 73,642 thousand dollars from movement in fair value determined using valuation techniques of financial instruments at fair value through profit or loss for the years ended December 31, 2009 and 2008, respectively.
- As of December 31, 2009 and 2008, the Company with subsidiaries' financial assets exposed to fair value interest rate risk from interest rate fluctuations were 167,679 thousand dollars and 1,728,938 thousand dollars respectively, and the Company with subsidiaries' financial liabilities exposed to fair value interest rate risk from interest rate fluctuations were 252,488 thousand dollars and 866,604 thousand dollars respectively; the Company with subsidiaries' financial assets exposed to cash flow interest rate risk from interest rate fluctuations were 2,435,022 thousand dollars and 2,266,262 thousand dollars respectively, and the Company with subsidiaries' financial liabilities exposed to cash flow interest rate risk from interest rate fluctuations were 4,968,316 thousand dollars and 3,954,682 thousand dollars respectively.
- During the years ended December 31, 2009 and 2008, total interest revenue for financial assets or liabilities that are not at fair value through profit or loss were 20,011 thousand dollars and 63,261 thousand dollars, respectively, while interest expense for the years ended December 31, 2009 and 2008 were 187,352 thousand dollars and 162,671 thousand dollars respectively.

7. Information of financial risks:

A. Market risk :

The Company with subsidiaries mostly has foreign currency sales, and adopted foreign currency mainly is USD. The ratio of gains arising from the fluctuations in exchange rates to net sales were 0.81% for the year ended 31, December, 2009. Thus, the fluctuation in exchange rates of US dollars to NT dollars at balance date and settlement date was small impact.

B. Credit risk :

Credit risk represents the potential loss that would be incurred by the Company if the counter-parties or third-parties breached contracts. Financial instruments with positive fair values at the balance sheet date are evaluated for credit risk. The Company usually associated with third party has a good credit history and were performed pre-approved credit check. Also, it periodically estimated the collectability of accounts receivable to appropriate allowance for doubtful debt. Thus, no material market risk is expected.

C. Liquidity and cash flow risk

There is no significant liquidity and cash flow risk exposure with respect to the above transactions because the Company has sufficient working capital to meet the cash flow requirements.

D. Cash flow interest rate risk

The Company is engaged with the short term and long term bank loans because these loans mostly have floating interest rates, which are affected by changes of actual market interest rates. Future cash flows of the short term and long term bank loans will fluctuate because of change of actual market interest rates. By increasing 1% market rate in the following financial year, the Company's cash outflow will increase 49,683 thousand dollars a year.

As of December 31, 2009, financial assets/liabilities exposed to changes in fair values due to the interest rate risk and financial assets/liabilities exposed to changes in cash flows due to the interest rate risk were summarized as follows:

Fixed interest rate

	<u>Within 1 year</u>
Cash and cash equivalents	\$139,000
Restricted cash	28,679
Short-term notes and bills payable	239,8954
Bonds payable	12,634

Fluctuation interest rate

	<u>Within 1 year</u>	<u>1~2 year</u>	<u>2~3 year</u>	<u>3~4 year</u>	<u>4~5 year</u>	<u>> 5 year</u>	<u>Total</u>
Cash and cash equivalents	\$2,224,665	\$-	\$-	\$-	\$-	\$-	\$2,224,665
Restricted cash	210,357	-	-	-	-	-	210,357
Short-term loans	4,510,824	-	-	-	-	-	4,510,824
Long-term loans	72,337	373,425	1,709	1,709	1,709	6,603	457,492

8. Certain accounts of the financial statements for the year ended December 31, 2008 had been reclassified to confirm with the presentation of financial statements as of December 31, 2009.
9. Significant intercompany transactions between the parent with subsidiaries or among subsidiaries were disclosed in Attachment 12.

XI. Additional Disclosures

1. The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau:
 - (1) Financing provided to others for the year ended December 31, 2009: None.
 - (2) Endorsement/Guarantee provided to others for the year ended December 31, 2009: Please refer to Attachment 1.
 - (3) Marketable securities held at December 31, 2009: Please refer to Attachment 2.
 - (4) Individual securities acquired or disposed of with accumulated amount exceeding the lower of 100 million dollars or 20 percent of capital stock for the year ended December 31, 2009: Please refer to Attachment 3.

- (5) Acquisition of individual real estate with amount exceeding the lower of 100 million dollars or 20 percent of capital stock for the year ended December 31, 2009: None.
- (6) Disposal of individual real estate with amount exceeding the lower of 100 million dollars or 20 percent of capital stock for the year ended December 31, 2009: None.
- (7) Related party transactions for purchases and sales amounts exceeding the lower of 100 million dollars or 20 percent of capital stock for the year ended December 31, 2009: Please refer to Attachment 4.
- (8) Receivables from related parties with amounts exceeding the lower of 100 million dollars or 20 percent of capital stock as of December 31, 2009: Please refer to Attachment 5.
- (9) Financial instruments and derivative transactions: Please refer to Note IV.2. "Financial assets at fair value through profit or loss".

2. Disclosure information of investee company:

- (1) If an investor controls operating, investing and financial decisions of an investee or an investor has the ability to exercise significant influence over operating and financial policies of an investee, the related information for the investee is disclosed. Please refer to Attachment 6 "Related parties".
- (2) An investor controls operating, investing and financial decisions of an investee, the related information for the investee was disclosed from (1) to (9) which was mentioned above:
 - A. Financing provided to others for the year ended December 31, 2009: Please refer to Attachment 7.
 - B. Endorsement/Guarantee provided to others for the year ended December 31, 2009: None.
 - C. Marketable securities held at December 31, 2009: Please refer to Attachment 8.
 - D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of 100 million dollars or 20 percent of capital stock for the year ended December 31, 2009: Please refer to Attachment 9.
 - E. Acquisition of individual real estate with amount exceeding the lower of 100 million dollars or 20 percent of capital stock for the year ended December 31, 2009: None.

- F. Disposal of individual real estate with amount exceeding the lower of 100 million dollars or 20 percent of capital stock for the year ended December 31, 2009: None.

- G. Related party transactions for purchases and sales amounts exceeding the lower of 100 million dollars or 20 percent of capital stock for the year ended December 31, 2009: Please refer to Attachment 10.

- H. Receivables from related parties with amounts exceeding the lower of 100 million dollars or 20 percent of capital stock as of December 31, 2009: Please refer to Attachment 11.

- I. Financial instruments and derivative transactions: None.

3. Disclosure of information of indirect investments in Mainland China:

(1)The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, equity in the net gain or net loss, ending balance, amount received as dividends from the investee, and the limitation on investee.

Amount in thousand; Currency denomination in NTD unless otherwise specified

Investee company	Main Businesses and Products	Total Amount of Pain-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2009	Percentage of Ownership	Investment income(loss) recognized	Carrying Value as of December 31, 2009	Accumulated Inward Remittance of Earnings as of December 31, 2009
					Outflow	Inflow					
Wafer Works (Shanghai) Corp.	Wafer manufacturing industry	\$671,096 (Note 1 & 8)	Note 13	\$510,951	\$-	\$-	\$510,951	75.66%	\$63,832 (Note 8, 9, 10 & 12)	\$836,908 (Note 12)	\$-
Wafer Works Epitaxial Corp.	Wafer manufacturing industry	\$832,781 (Note 2 & 8)	Note 13	\$516,782	\$-	\$-	\$516,782	75.66%	\$(184,137) (Note 8, 9, 10 & 12)	\$200,596 (Note 12)	\$-
Shanghai Jingji Electronics Material Co., Ltd. (Note 3)	Wafer manufacturing industry	\$244,663 (Note 3 & 8)	Note 13	\$67,696	\$-	\$-	\$67,696	19.94%	\$(17,698) (Note 8, 9, 10 & 12)	\$86,570 (Note 12)	\$-
Jinzhou Yangguang Energy Co., Ltd. (Note 5 & 6)	Wafer manufacturing industry	\$3,814,436 (Note 5 & 8)	Note 13	\$304,914	\$-	\$-	\$304,914	19.94%	\$(38,964) (Note 8, 9, 10 & 12)	\$874,529 (Note 12)	\$-

Jinzhou JJ Solar Energy Co., Ltd. (Note 3)	Wafer manufacturing industry	\$585,484 (Note 8 & 10)	Note 13	\$-	\$-	\$-	\$-	19.94%	\$(5,055) (Note 8, 9, 10 & 12)	\$109,607 (Note 12)	\$-
Jinzhou Youhua Silicon Materials Co., Ltd.	Wafer manufacturing industry	\$753,185 (Note 9 & 10)	Note 13	\$-	\$-	\$-	\$-	19.94%	\$(2,627) (Note 8, 9, 10 & 12)	\$184,705 (Note 12)	\$-

Accumulated Investment in Mainland
China as of December 31, 2009

\$1,435,739

Investment Amounts Authorized by
Investment Commission, MOEA

\$1,435,739

Upper Limit on Invest

Note 13

Note 1: 100% shares of Wafer Works (Shanghai) Corp. owned by Silicon Technology Investment (Cayman) Corp., But 75.66% shares of Silicon Technology Investment (Cayman) Corp. owned by Wafer Works Investment Corp. Therefore, Wafer Works (Shanghai) Corp. indirectly invested by Wafer Works Corp.

Note 2: 100% shares of Wafer Works Epitaxial Corp. owned by Silicon Technology Investment (Cayman) Corp. But 75.66% shares of Silicon Technology Investment (Cayman) Corp. owned by Wafer Works Investment Corp. Therefore, Wafer Works Epitaxial Corp. indirectly invested by Wafer Works Corp.

Note 3: Solargiga Energy Holdings Limited indirectly owned 100% of Silicon Solar Materials Company Limited's shares via Solar Technology Investment. But Wafer Works Investment Corp. owned 19.94% shares of Solargiga Energy Holdings Limited. Therefore, Wafer Works Corp. indirectly invested in Shanghai Jingji Electronics Material Co., Ltd.

Note 4 : Jinzhou Yangguang Energy Co., Ltd. invested indirectly Jinzhou Rixin Silicon Material Co., Ltd. and Jinzhou Jinmao Photovoltaic Technology Co., Ltd. in China.

Note 5: Rising Sun Investment Company Limited owned 100% of Jinzhou Yangguang Energy Co., Ltd.'s shares. Solargiga Energy Holdings Limited indirectly owned 100% shares of Rising Sun Investment Company Limited via Solar Technology Investment. But Wafer Works Investment Corp owned 19.94% of shares of Solargiga Energy Holdings Limited. Therefore, Wafer Works indirectly invested in Jinzhou Yangguang Energy Co., Ltd.

Note 6: Rising Sun Investment Company Limited owned 100% of Jinzhou JJ Solar Energy Co., Ltd.'s shares. Solargiga Energy Holdings Limited indirectly owned 100% shares of Rising Sun Investment Company Limited via Solar Technology Investment. But Wafer Works Investment Corp owned 19.94% shares of Solargiga Energy Holdings Limited. Therefore, Wafer Works indirectly invested Jinzhou JJ Solar Energy Co., Ltd.

Note 7: Rising Sun Investment Company Limited owned 100% of shares of Jinzhou Youhua Silicon material Co., Ltd. Solargiga Energy Holdings Limited indirectly owned 100% of Rising Sun Investment Company Limited via Solar Technology Investment. But Wafer Works Investment Corp owned 19.94% shares of Solargiga Energy Holdings Limited. Therefore, Wafer Works indirectly invested in Jinzhou Youhua Silicon material Co., Ltd.

Note 8: Foreign currencies were converted into New Taiwan dollars based on exchanged rate on December 31, 2009.

Note 9: The investment profit or loss recognized under equity method and by calculation was based on audited financial statements.

Note 10: Calculation by equivalent shares holding.

Note 11: The Company qualified and approved by Taiwan, R.O.C. government to be operation headquarter in Taiwan, thus there are no limitation of of investee in mainland China.

Note 12: Transactions between consolidated entities are eliminated in the consolidated financial statements.

Note 13: An indirect investment by transferring part of the Company of shares to china.

2. Purchase and accounts payable with the related parties :

	<u>Purchase</u>	<u>Accounts payable</u>
Wafer Works Corp. to Wafer Works Epitaxial Corp.	\$265,606	\$63,470
Wafer Works Corp. to Wafer Works (Shanghai) Corp.	179,987	25,725
Wafer Works Corp. to Wealthy Rise International Limited	44,635	-
Wafer Works Corp. to Jinzhou Yangguang Energy Co., Ltd.	40,607	-
Wafer Works Corp. to Shanghai Jingji Electronics Material Co., Ltd.	18,860	227
Wafer Works Optronics Corp. to Wafer Works (Shanghai) Corp.	15	-
Total	<u>\$549,710</u>	<u>\$89,422</u>

The payment terms for the Company of its related parties were due from 30 to 60 days after shipment arrival by using Telegraphic Transfer (T/T). The payment terms for its related parties are the same as its suppliers, excepting Wafer Works Epitaxial Corp.

3. Sales and receivables with the related parties :

	<u>Sales</u>	<u>Accounts Receivable</u>
Wafer Works Corp. to Wafer Works (Shanghai) Corp.	\$203,546	\$7,217
Wafer Works Corp. to Wafer Works Epitaxial Corp.	160,379	81,398
Wafer Works Corp. to Jinzhou Yangguang Energy Co., Ltd.	83,825	81,395
Wafer Works Corp. to Shanghai Jingji Electronics Material Co., Ltd.	30,320	-
Helitek to Wafer Works (Shanghai) Corp.	6,518	1,891
Helitek to Wafer Works Epitaxial Corp.	959	197
Wafer Works Corp. to Wealthy Rise International Limited	-	17,275
Total	<u>\$485,547</u>	<u>\$189,373</u>

The transaction terms with related parties were 60~90 days after monthly closing. The transaction terms for its related parties are the same as its client, excepting Wealthy Rise International Limited and Jinzhou Yangguang Energy Co., Ltd.

4. The profit and loss produced by transaction of the property : Not application.

5. (1) For the year ended December 31, 2009, Wafer Works Epitaxial Corp. purchased fixed assets on behalf of the Company as follows :

<u>Type of Assets</u>	<u>Related party</u>	<u>Purchase price</u>	<u>The determine of price</u>
Machinery and equipment	Wafer Works (Shanghai) Corp.	<u>\$368</u>	negotiation

(2) Purchases of property, plant and equipment:

<u>Type of Assets</u>	<u>Related party</u>	<u>Purchase price</u>	<u>The determine of price</u>
Machinery and equipment	Wafer Works Corp. to Wafer Works Epitaxial Corp.	\$1,962	negotiation
Machinery and equipment	Wafer Works Optronics Corp. to Wafer Works (Shanghai) Corp.	1,007	negotiation
Total		<u>\$2,969</u>	

6. The purpose and balance of a note guarantee and a guarantee endorsement or providing for secure :

In 2009, the Company granted a guarantee endorsement for Wafer Works Epitaxial Corp. amounted 1,168,275 thousand dollars to provide that Wafer Works Epitaxial Corp. was able to obtain bank loans.

7. The amount of maximum financing, the balance interest rates, and lump sum interest expense: None

8. The other events' impact over current profit or loss or the significant influence of transaction events over the financial conditions: such as provided service or received service.

(1) In 2009, on behalf of Jinzhou Yangguang Energy Co., Ltd., Wafer Works (Shanghai) Corp., and Wafer Works Epitaxial Corp. the Company purchased raw material, received charge, and received revenue from scraps sales by 25,278 thousand dollars, 1,888 thousand dollars, and 457 thousand dollars respectively

In 2009, on behalf of Shanghai Jingji Electronics Material Co., Ltd., the company purchased raw materials by 116,544 thousand dollars and raw materials at selling prices by 130,637 thousand dollars . The difference between raw materials at cost and selling prices by 14,093 thousand dollars was recorded as a reduction of other non-operating income.

(2) In 2009, the Company purchased consumable supplies from Wafer Works (Shanghai) Corp. and Wealthy Rise International Limited amounted 281 thousand dollars and 7 thousand dollars in 2009 respectively, being booked as factory overhead.

(3) In 2009, on behalf of Wafer Works (Shanghai) Corp., Jinzhou Yangguang Energy Co., Ltd., Wafer Works Epitaxial Corp., and Shanghai Jingji Electronics Material Co., Ltd., the Company purchased raw materials, paid related expenses and received revenue from scraps sales by 20,871 thousand dollars, 5,012 thousand dollars, 510 thousand dollars, and 23 thousand dollars respectively, being booked as other receivable. On behalf of the Company, Wafer Works Epitaxial Corp. and Wafer Works (Shanghai) Corp. paid expenses amounted 4,672 thousand dollars and 69 thousand dollars respectively, being booked as other payables.

As of December 31, 2009, Wafer Works Optronics Corp. purchased machineries from Wafer Works (Shanghai) Corp. amounted 1,007 thousand dollars which was booked as other payables.

(4) To extend the business, The Company cooperated with its suppliers via long term strategic alliances. During year 2008, the Company signed on a sales contract with Jinzhou Yangguang Energy Co., Ltd. of which period from January 1, 2006 to December 31, 2010. Thus, Jinzhou Yangguang Energy Co., Ltd. agreed and paid USD 6,240 thousand dollars to the Company. As of December 31, 2009, the Company received payments from Jinzhou Yangguang Energy Co., Ltd. amounted to 118,842 thousand dollars (equivalents to USD 3,744 thousand dollars) booked as long-term advance receipts.

As of December 31, 2009, the Company reversed its advance receipts amounted

33,100 thousand dollars (equivalents to USD 1,043 thousand dollars) because it began to sell products to Jinzhou Yangguang Energy Co., Ltd. in 2009.

9. Transactions were mentioned above and the transactions among entities are eliminated in when the financial statements were consolidated.

XII. SEGMENT INFORMATION

1. Operations in different industries: The Company's major business is semiconductor wafer manufacturing industry. Therefore, the disclosure of other related industry information is not applicable to the Company.
2. Operations in different geographic areas: For the years ended December 31, 2009 and 2008, the operations in different geographic areas were presented as follows:

	America and others	Taiwan	Eliminations	Consolidated
<u>For the year ended December 31, 2009</u>				
Sales to customers other than consolidated entities	\$4,450,950	\$1,899,745	\$-	\$6,350,695
Sales among consolidated entities	1,638,457	1,077,781	(2,716,238)	-
Total sales	<u>\$6,089,407</u>	<u>\$2,977,526</u>	<u>\$(2,716,238)</u>	<u>\$6,350,695</u>
Gross profit	\$49,241	\$199,588	\$20,062	\$268,891
Operating expenses				(855,514)
Interest expense				(187,352)
Income from continuing operations before income tax				<u>\$(773,975)</u>
Identifiable assets	<u>\$21,879,591</u>	<u>\$7,694,026</u>	<u>\$(8,966,251)</u>	\$20,577,366
Long-term equity investments				366,817
Total assets				<u>\$20,944,183</u>
Depreciation	<u>\$357,549</u>	<u>\$255,544</u>	<u>\$(13,020)</u>	<u>\$600,073</u>
Capital expenditures	<u>\$794,780</u>	<u>\$166,966</u>	<u>\$(2,790)</u>	<u>\$958,956</u>

For the year ended December 31, 2008

Sales to customers other than consolidated entities	\$7,526,572	\$3,784,238	\$-	\$11,310,810
Sales among consolidated entities	1,681,079	1,969,086	(3,650,165)	-
Total sales	<u>\$9,207,651</u>	<u>\$5,753,324</u>	<u>\$(3,650,165)</u>	<u>\$11,310,810</u>
Gross profit	\$1,139,505	\$893,367	\$129,952	\$2,162,824
Operating expenses				(326,811)
Interest expense				(162,671)
Income from continuing operations before income tax				<u>\$1,673,342</u>
Identifiable assets	<u>\$13,128,556</u>	<u>\$7,729,709</u>	<u>\$(1,388,533)</u>	\$19,469,732
Long-term equity investments				225,607
Total assets				<u>\$19,695,339</u>
Depreciation	<u>\$244,261</u>	<u>\$244,711</u>	<u>\$(11,619)</u>	<u>\$477,353</u>
Capital expenditures	<u>\$1,997,818</u>	<u>\$318,508</u>	<u>\$8,919</u>	<u>\$2,325,245</u>

3. Export sales:

Area	For the years ended December 31,	
	2009	2008
America	\$1,073,975	\$1,196,967
Europe	164,679	287,298
Asia	3,939,157	8,076,823
Total	<u>\$5,177,811</u>	<u>\$9,561,088</u>

4. Major customers: Individual customers accounting for at least 10% of net sales are as follows:

Name	For the years ended December 31,	
	2009	2008
Customer A	\$946,244	Note

Note: For 2008, net sales for the major customer A were less than 10% of the total net consolidated sales; therefore, disclosure was not required.

ATTACHMENT 1 (Guarantee information)

(All the currencies are denominated in Thousands of New Taiwan Dollars unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

No. (Note1)	Endorsor/Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Amount of collateral guarantee/endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/endorsement amount(Note3)
		Receiving party	Relationship (Note2)						
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	3rd level subsidiary	\$2,892,434	\$1,245,115	\$1,168,275	\$-	16.16%	\$2,892,434
0	Wafer Works Corp.	Wafer Works Optronics Corp.	The Company's subsidiary	\$2,892,434	\$450,000	\$300,000	\$-	4.15%	\$2,892,434
0	Wafer Works Corp.	Wafer Works Investment Corp.	The Company's subsidiary	\$2,892,434	\$319,900	\$223,930	\$-	3.10%	\$2,892,434

Note1 : Wafer Works Corp. and its subsidiaries are coded as follows:

1. Wafer Works Corp. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the above table.

Note2 : The six categories of between the Company and endorsees as follows:

1. An investee company that has a business relationship with the Company.
2. A subsidiary in which the Company holds directly over 50% of equity interest.
3. An investee in which the Company invests and its subsidiaries hold over 50% of equity interest.
4. An investee in which the Company holds direct or indirect over 50% of equity method
5. An investee that has provided guarantees to the Company, and vice versa, due to contractual requirements.
6. An investee in which the Company conjunctionly invests with other shareholders, and for which the Company has provided endorsement/guarantee in proportion to its shareholding percentage.

Note3 : According to the procedures of Endorsement and Guarantee, the limitation of endorsement or guarantee for other subsidiaries shall not exceed 40% of the current net value of the Company. Also, the limitation of endorsement or guarantee for one of the subsidiaries shall not exceed 10% of the current net value of the Company, but the limitation of endorsement or guarantee for the Company shall be up to 40% of the current net value of one of subsidiaries.

ATTACHMENT 2 (Securities held at December 31, 2009)

(All the currencies are denominated in thousands of New Taiwan Dollars unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

Holding Company	Marketable Securities Type and Name	Relationship	Financial statement account	December 31, 2009				
				Shares/Units	Book value	Percentage of ownership (%)	Market value or Net assets value (Note1)	Description
	<u>Long-term investments under equity method</u>							
Wafer Works Corp.	Wafer Works Investment Corp.	Investee company	Long-term equity investments under equity method	43,824,826	\$2,435,370	100.00%	\$2,447,093	Note3
Wafer Works Corp.	Wafer Works Optronics Corp.	Investee company	Long-term equity investments under equity method	20,883,960	183,591	74.59%	190,214	Note3
Wafer Works Corp.	Heli-Vantech Corp.	Investee company	Long-term equity investments under equity method	8,499,994	434,725	99.99%	435,126	Note3
					Note2			
					<u>\$3,053,686</u>		<u>\$3,072,433</u>	
	<u>Available-for-sale financial assets</u>							
Wafer Works Corp.	New Solar Power Corp.	Heli-Vantech Corp.'s president of Neo Solar Power Corp.	Available-for-sale financial assets, noncurrent	650,934	\$52,083	0.31%	<u>\$52,595</u>	
	Add : Adjustments for change in available-for-sale financial assets				<u>512</u>			
	Net				<u>\$52,595</u>			

Note1 : The investment was measured at net equity because of no active market price.

Note2 : In accordance with R.O.C. SFAS No. 30 " Accounting for Treasury Stocks ", as of December 31, 2009, Heli-Vantech Corp. held 6,881 shares of the Company and the book value of those shares amounted to 43 thousand dollars.

Note3 : Transactions between consolidated entities are eliminated in the consolidated financial statements

ATTACHMENT 3 (Individual securities acquired or disposal of with accumulated cost exceeding the lower of 100 million dollars or 20% of capital stock for the year ended December 31, 2009)

(All the currencies are denominated in Thousands of New Taiwan Dollars unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

Investor	Kind and name of marketable securities	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal			Ending balance		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Cost	Gain(Loss) from disposal	Number of shares	Amount
Wafer Works Corp.	Wafer Works Optronics Corp.	Long-term equity investments under equity method	-	-	15,469,600	\$41,308	5,414,360	\$142,283	-	\$-	\$-	\$-	20,883,960	\$183,591
								(Note1)						(Note2)

Note1 : In 2009, investment increased amounted was 201,105 thousand dollars, the investment loss recognized under equity method amounted to (62,041) thousand dollars, Change in long-term equity investement amounted 3,219 thousand dollars.

Note2 : Transactions between consolidated entities are eliminated in the consolidated financial statements.

ATTACHMENT 4 (Related party transactions for purchases and sales amount exceeding the lower of 100 million dollars or 20% of the Company's capital stock for the year ended December 31, 2009)

(All the currencies are denominated in Thousands of New Taiwan Dollars unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

Company	Related party	Relationship	Purchases (Sales)	Transactions		Details of non-arm's length transaction		Notes and accounts recevables(payable)		Note	
				Amount	Percentage of total purchases (sales)(%)	Unit Price	Term	Balance	Percentage of total receivables(%)		
Wafer Works Corp.	Helitek Company Ltd.	Affiliated Company	Sales	\$598,497	21.19%	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	\$157,307	23.40%	Note
Wafer Works Corp.	Wafer Works (Shanghai) Corp.	Affiliated Company	Sales	203,546	7.21%	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	7,217	1.08%	Note
Wafer Works Corp.	New Solar Power Corp.	Heli-Vantech Corp.'s president of Neo Solar Power Corp.	Sales	203,509	7.20%	A telegraphic transfer (T/T)	N/A	N/A	17,161	2.55%	
Wafer Works Corp.	Wafer Works Epitaxial Corp.	Affiliated Company	Sales	160,379	5.68%	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	81,398	12.11%	Note
Wafer Works Corp.	Wafer Works Epitaxial Corp.	Affiliated Company	Purchases	265,606	8.70%	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	(63,470)	24.21%	Note
Wafer Works Corp.	Wafer Works (Shanghai) Corp.	Affiliated Company	Purchases	179,987	5.90%	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	(25,725)	9.81%	Note

Note : Transactions between consolidated entities are eliminated in the consolidated financial statements.

ATTACHMENT 5 (Receivables from related parties exceeding the lower of 100 million dollars or 20% of the Company's capital stock for the year ended December 31, 2009)

(All the currencies are denominated in Thousands of New Taiwan Dollars unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

Company	Related party	Relationship with the Company	Ending Balance	Turnover rate(times)	Overdue receivables		Amounts received in subsequent period	Allowance for doubtful accounts
					Amount	Collection status		
Wafer Works Corp.	Helitek Company Ltd.	Investee company	Accounts receivable \$157,307 (Note)	3.63	\$-	-	\$-	\$-

Note : Transactions between consolidated entities are eliminated in the consolidated financial statements.

ATTACHMENT 6 (If an investor has the ability to exercise significant influence on investee or has material controlling power on investee)

(All the currencies are denominated in Thousands of New Taiwan Dollars , RMB, HKD, and USD unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

Investor	Investee	Address	Main businesses and products	Initial Investment		Investments as of December 31,2009			Net income (loss)of investee company	Investment income(loss) recognized	Note
				Beginning balance	Ending balance	Number of shares	Percentage of ownership (%)	Book Value			
Wafer Works Corp.	Wafer Works Investment Corp.	P.O. Box 217 Apia, Samoa	Investment Holding Company	\$44,825	\$43,825	43,824,826	100.00%	\$2,435,370	\$(247,953)	\$(254,038)	Note8 (Note1)
Wafer Works Corp.	Heli-Vantech Corp.	No.1, Ln. 445, Sec. 2 , Meishih Rd., Yangmei Township , Taoyuan County, Taiwan	Design, trading and manufacturing of semiconductor materials.	85,000	85,000	8,499,994	99.99%	434,725	88,626	88,626	Note8
Wafer Works Corp.	Wafer Works Optronics Corp.	No.16-6, Ziqiang 1st Rd. , Zhongli City, Taoyuan County , Taiwan	Electronic component manufacturing industry	154,696	208,840	20,883,960	74.59%	183,591	(73,096)	(62,041)	Note8
Heli-Vantech Corp.	Wafer Works Optronics Corp.	No.16-6, Ziqiang 1st Rd. , Zhongli City, Taoyuan County , Taiwan	Electronic component manufacturing industry	11,800	590	59,000	0.21%	7,159	(73,096)	(4,360)	Note8
Wafer Works Investment Corp.	Silicon Technology Investment (Cayman) Corp.	Scotia Centre 4th Floor, P.O.Box 2804, George town, Grand Cayman, Cayman Island	Invest in a technology industry and the distribution of semiconductor	USD 28,582	USD 28,582	Common stock 1 Preferred stockA 6,970,327 Preferred stockB 18,384,824	75.66%	USD 31,523	USD (6,061)	USD (4,802)	Note8 (Note2)
Wafer Works Investment Corp.	Wafermaster Investment Corp.	P.O. Box 217 Apia, Samoa	Investment Holding Company	USD 10,000	USD 8,726	5,083,900	100.00%	USD 4,606	USD (10)	USD (10)	Note8
Wafer Works Investment Corp.	Solargiga Energy Holdings Limited	P.O. Box 2681, Grand Cayman Island	Investment Holding Company	USD 12,542	USD 12,542	360,358,822	19.94%	USD 37,957	USD (14,360)	USD (2,697)	Note8 (Note3)
Silicon Technology Investment (Cayman) Corp.	Wafer Works (Shanghai) Corp.	NO.500 SongJing Qu GuiNan Road, Shanghai, China	Wafer manufacturing industry	USD 20,642	USD 13,097	-	100.00%	USD 34,535	USD 2,834	USD 2,552	Note8 (Note4)
Silicon Technology Investment (Cayman) Corp.	Wafer Works Epitaxial Corp.	No.48 2 Qu,No.8228 BeiQing Road, QingPu Qu,Shanghai, China	Wafer manufacturing industry	USD 16,957	USD 24,057	-	100.00%	USD 8,277	USD (7,362)	USD (7,362)	Note8
Silicon Technology Investment (Cayman) Corp.	Sharp Right Limited Co., Ltd.	Rooms 2006-8.20/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hang Kong	Trading Company	HKD 10	HKD 10	-	100.00%	USD 1,132	-	-	Note8
Silicon Technology Investment (Cayman) Corp.	Golden Power Trading Limited	Rooms 2006-8.20/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hang Kong	Trading Company	-	HKD 10	-	100.00%	USD (1)	USD (2)	USD (2)	Note8
Wafermaster Investment Corp.	Helitek Company Ltd.	47338 Fremont Blvd. Fremont,CA 94538	Manufacturing and trading of semiconductor materials.	USD 5,300	USD 5,300	2,200,000 (Common stock 200,000) (Preferred stock 2,000,000)	100.00%	USD 4,605	USD (86)	USD (285)	Note8 (Note5)

(All the currencies are denominated in Thousands of New Taiwan Dollars, RMB, HKD, and USD unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

Investor Company	Investee Company	Address	Main businesses and products	Initial Investment		Investments as of December 31,2009			Net income (loss)off investee company	Investment income(loss) recognized	Note
				Beginning balance	Ending balance	Number of shares	Percentage of ownership (%)	Book Value			
Solargiga Energy Holdings Limited	Solar Technology Investment (Cayman) Corp.	Scotia Center, 4F P.O. Box 2804 George Town, Grand Cayman, Cayman Islands	Investment Holding Company	RMB 163,005	RMB 163,005	-	100.00%	RMB 1,232	RMB (56,348)	RMB (56,348)	Note8
Solargiga Energy Holdings Limited	Tayaneng Investments Limited	P.O. Box 957 Tortola, British Virgin Islands	Investment Holding Company	RMB 104	RMB 104	-	100.00%	RMB 76,964	-	-	Note8
Solargiga Energy Holdings Limited	Rising Sun Investment Company Limited	Rm 1402 14/F, Harbour Centre 25 Harbour Road Wanchai HK	Investment Holding Company	-	-	-	100.00%	RMB 1,064,806	RMB (45,475)	RMB (45,475)	Note8
Solar Technology Investment (Cayman) Corp.	Silicon Solar Materials Company Limited	Rm 1402 14/F, Harbour Centre 25 Harbour Road Wanchai HK	Investment Holding Company	-	-	-	100.00%	RMB 92,523	RMB (17,293)	RMB (17,293)	Note8
Solar Technology Investment (Cayman) Corp.	Wealthy Rise International Limited	Rm 1402 14/F, Harbour Centre 25 Harbour Road Wanchai HK	Investment Holding Company	-	-	-	100.00%	RMB (80,997)	RMB (36,192)	RMB (36,192)	Note8
Rising Sun Investment Company Limited	Jinzhou Yangguang Energy Co., Ltd. (Note6)	No.29, Yulu St., New and Hi-tech Industry Park, Jinzhou, Liaoning, China	Wafer manufacturing industry	-	RMB 813,000	-	100.00%	RMB 934,781	RMB (37,953)	RMB (37,953)	Note8
Rising Sun Investment Company Limited	Jinzhou JJ Solar Energy Co., Ltd. (Note6)	No.94 Jiefang Western Rd, Jinzhou City, Liaoning Province, China	Wafer manufacturing industry	-	RMB 121,565	-	100.00%	RMB 117,159	RMB (4,949)	RMB (4,949)	Note8
Rising Sun Investment Company Limited	Jinzhou Youhua Silicon Materials Co., Ltd.(Note6)	No.20-45, Shaoyang Rd., Economic and Technological development Zone, Jinzhou, Liaoning, China	Wafer manufacturing industry	-	RMB 200,000	-	100.00%	RMB 197,430	RMB (2,570)	RMB (2,570)	Note8
Silicon Solar Materials Company Limited	Shanghai Jingji Electronics Material Co., Ltd.	No.1 Zhangjing Rd. Dongjing ,Songjing ,Shanghai, China	Wafer manufacturing industry	RMB 52,147	RMB 52,147	-	100.00%	RMB 92,534	RMB (17,291)	RMB (17,291)	Note8
Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	No.29, Yulu St., New and Hi-tech Industry Park, Jinzhou, Liaoning, China	Wafer manufacturing industry	RMB 190,000	RMB 190,000	-	100.00%	RMB 192,193	RMB (1,564)	RMB (1,564)	Note8
Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Jinmao Photovoltaic Technology Co., Ltd. (Note 7)	No. 50, Liaoyang Road Economic Development Zone, Liaoning Province, Jinzhou City	Wafer manufacturing industry	-	RMB 20,400	-	51.00%	RMB 20,420	RMB (25)	RMB 20	Note8

Note1 : Investment loss recognized under equity method amounted to (247,953) thousand dollars and the realized profit on upstream sale amounted to (6,085) thousand dollars.

Note2 : Investment loss recognized under equity method amounted to USD (4,586) thousand and amortization the difference of the acquisition cost and the underlying equity in the investee's net assets amounted to USD (216) thousand.

Note3 : Investment loss recognized under equity method amounted to USD (3,040) thousand and amortization the difference of the acquisition cost and the underlying equity in the investee's net assets amounted to USD 343 thousand.

Note4 : Investment gain recognized under equity method amounted to USD 2,834 thousand, realized profit on transaction between subsidiaries amounted to USD (1) thousand and amortization the difference of the acquisition cost and the underlying equity in the investee's net assets amounted to USD(281) thousand.

Note5 : Investment loss recognized under equity method amounted to USD (86) thousand and amortization the difference of the acquisition cost and the underlying equity in the investee's net assets amounted to USD (199) thousand.

Note6 : Originally Wealthy Rise International Limited indirectly invested and owned 100% owned the shares of Jinzhou Yangguang Energy co., Ltd., Jinzhou JJ Solar Energy Co., Ltd. and Jinzhou Youhua Silicon Materials Co., Ltd. On February 16, 2009, Wealthy Rise International Limited transferred all shares of Jinzhou Yangguang Energy co., Ltd., Jinzhou JJ Solar Energy Co., Ltd. and Jinzhou Youhua Silicon Materials Co., Ltd. to Rising Sun Investment Company Limited.

Note7 : Jinzhou Yangguage Energy Co., Ltd. wired-in RMB 20,400 thousand dollars to establish Jinzhou Jinmao Photovoltaic Technology Co., Ltd. during July, 2009 and hold on 51% shares of Jinzhou Jinmao Photovoltaic Technology Co., Ltd. Meanwhile, Jinzhou Jinmao Photovoltaic Technology Co., Ltd. was completely to set up on July 16, 2009.

Note8 : Transactions between consolidated entities are eliminated in the consolidated financial statements.

ATTACHMENT 7 (Financing provided to others)

(All the currencies are denominated in thousands of USD unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

No.	Lender	Counter-party	Financial Statement Account	Maximum balance for the period	Ending balance	Interest rate	Nature of financing	Amount of sales to (purchases from) counterp-party	Reason for financing	Allowance for doubtful accounts	Collateral Item Value	Limit of financing amount for individual counter-party(Note1)	Limit of total financing amount(Note1)
1	Wafer Works Investment Corp.	Wafer Works Epitaxial Corp.	Other receivables	USD 10,000	USD 7,000 (Note2)	3%~ 4%	The need for short-term financing	-	The need for short-term financing	\$-	- \$-	USD 15,394	USD 15,394

Note1 : The aggregate loan amount does not exceed 20% of net value.

Note2 : Transactions between consolidated entities are eliminated in the consolidated financialstatements.

ATTACHMENT 8 (Marketable securities held at December 31, 2009)

(All the currencies are denominated in Thousands of New Taiwan Dollars, RMB, and USD unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

Holding Company	Name and Type of Securites	Relationship	Financial Statement Account	December 31,2009					
				Shares/Units	Book Value	Percentage of ownership (%)	Market Value (Note1)	Note	
Wafer Works Investment Corp.	Silicon Technology Investment (Cayman) Corp.	Investee company (2nd level sub)	Long-term equity investments under equity method	Common stock	1	USD 31,523	75.66%	USD 29,545	Note4
				Preferred stockA	6,970,327				
				Preferred stockB	18,384,824				
Wafer Works Investment Corp.	Wafermaster Investment Corp.	Investee company (2nd level sub)	Long-term equity investments under equity method		5,083,900	USD 4,606	100.00%	USD 4,606	Note4
Wafer Works Investment Corp.	Solargiga Energy Holdings Limited	Affiliated Company	Long-term equity investments under equity method		360,358,822	USD 37,957	19.94%	USD 40,533	Note4
Silicon Technology Investment (Cayman) Corp.	Wafer Works (Shanghai) Corp.	Investee company (3rd level sub)	Long-term equity investments under equity method		-	USD 34,535	100.00%	USD 32,126	Note4
Silicon Technology Investment (Cayman) Corp.	Sharp Right Limited Co., Ltd.	Investee company (3rd level sub)	Long-term equity investments under equity method		-	USD 1,132	100.00%	USD 1,132	Note4
Silicon Technology Investment (Cayman) Corp.	Wafer Works Epitaxial Corp.	Investee company (3rd level sub)	Long-term equity investments under equity method		-	USD 8,277	100.00%	USD 8,277	Note4
Silicon Technology Investment (Cayman) Corp.	Golden Power Trading Limited	Investee company (3rd level sub)	Long-term equity investments under equity method		-	USD (1)	100.00%	USD (1)	Note4
Wafermaster Investment Corp.	Helitek Company Ltd.	Investee company (3rd level sub)	Long-term equity investments under equity method		2,200,000 (Common stock (Preferred stock 2,000,000)	USD 4,605	100.00%	USD 3,017	Note4
Solargiga Energy Holdings Limited	Solar Technology Investment (Cayman) Corp.	Affiliated Company	Long-term equity investments under equity method		-	RMB 1,232	100.00%	RMB 1,232	Note4
Solargiga Energy Holdings Limited	Tayaneng Investments Ltd.	Affiliated Company	Long-term equity investments under equity method		-	RMB 76,964	100.00%	RMB 76,964	Note4
Solargiga Energy Holdings Limited	Rising Sun Investment Company Limited	Affiliated Company	Long-term equity investments under equity method		-	RMB 1,064,806	100.00%	RMB 1,064,806	Note4
Solar Technology Investment (Cayman) Corp.	Silicon Solar Materials Company Limited	Affiliated Company	Long-term equity investments under equity method		-	RMB 92,523	100.00%	RMB 92,523	Note4
Solar Technology Investment (Cayman) Corp.	Wealthy Rise International Limited	Affiliated Company	Long-term equity investments under equity method		-	RMB (80,997)	100.00%	RMB (80,997)	Note4

(All the currencies are denominated in Thousands of New Taiwan Dollars, RMB, and USD unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

December 31, 2009

Holding Company	Name and Type of Securites	Relationship	Financial Statement Account	December 31, 2009				
				Shares/Units	Book Value	Percentage of ownership (%)	Market Value (Note1)	Note
Rising Sun Investment Company Limited	Jinzhou Yangguang Energy Co., Ltd.(Note2)	Affiliated Company	Long-term equity investments under equity method	-	RMB 934,781	100.00%	RMB 934,781	Note4
Rising Sun Investment Company Limited	Jinzhou JJ Solar Energy Co., Ltd.(Note 2)	Affiliated Company	Long-term equity investments under equity method	-	RMB 117,159	100.00%	RMB 117,159	Note4
Rising Sun Investment Company Limited	Jinzhou Youhua Silicon Materials Co., Ltd.(Note 2)	Affiliated Company	Long-term equity investments under equity method	-	RMB 197,430	100.00%	RMB 197,430	Note4
Silicon Solar Materials Company Limited	Shanghai Jingji Electronics Material Co., Ltd.	Affiliated Company	Long-term equity investments under equity method	-	RMB 92,534	100.00%	RMB 92,534	Note4
Jinzhou Yangguang Energy Co., Ltd.(Note2)	Jinzhou Rixin Silicon Material Co., Ltd.	Affiliated Company	Long-term equity investments under equity method	-	RMB 192,193	100.00%	RMB 192,193	Note4
Jinzhou Yangguang Energy Co., Ltd.(Note2)	Jinzhou Jinmao Photovoltaic Technology Co., Ltd. (Note 2)	Affiliated Company	Long-term equity investments under equity method	-	RMB 20,420	51.00%	RMB 20,420	Note4
Heli-Vantech Corp.	Wafer Works Optronics Corp.	Affiliated Company	Long-term equity investments under equity method	59,000	<u>\$7,159</u>	0.21%	<u>\$536</u>	Note4
Heli-Vantech Corp.	New Solar Power Corp. Add : Adjustments for change in available-for-sale financial assets Net	Heli-Vantech Corp.'as director of Neo Solar Power Corp.	Available-for-sale financial assets, noncurrent	3,888,886	\$60,814 253,408 <u>\$314,222</u>	1.85%	<u>\$314,222</u>	
Heli-Vantech Corp.	Wafer Works Corp. Add : Adjustments for change in available-for-sale financial assets Net	-	Available-for-sale financial assets, noncurrent	6,881	\$43 358 <u>\$401</u>	0.01%	<u>\$401</u>	Note4

Note1 : The investment was measured at net assets because it has no active market price.

Note2 : Originally Wealthy Rise International Limited indirectly invested and owned 100% owned the shares of Jinzhou Yangguang Energy co., Ltd., Jinzhou JJ Solar Energy Co., Ltd. and Jinzhou Youhua Silicon Materials Co., Ltd. On February 16, 2009, Wealthy Rise International Limited transferred all shares of Jinzhou Yangguang Energy co., Ltd., Jinzhou JJ Solar Energy Co., Ltd. and Jinzhou Youhua Silicon Materials Co., Ltd. to Rising Sun Investment Company Limited.

Note3 : Jinzhou Yangguang Energy Co., Ltd. wired-in RMB 20,400 thousand dollars to establish Jinzhou Jinmao Photovoltaic Technology Co., Ltd. in July, 2009 and owned on 51% shares of Jinzhou Jinmao Photovoltaic Technology Co., Ltd. Meanwhile, Jinzhou Jinmao Photovoltaic Technology Co., Ltd. was completely to set up on July 16, 2009.

Note4 : Transactions between consolidated entities are eliminated in the consolidated financial statements

ATTACHMENT 9 (Individual securities acquired or disposal of with accumulated cost exceeding the lower of 100 million dollars or 20% of the Company's capita stock for the year ended December 31, 2009)

(All the currencies are denominated in Thousands of New Taiwan Dollars, RMB and USD unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

Buy or Sale Company	Name and Type of Securities	Financial Statement Account	Counter-Company	Related-party	Beginning balance		Additions		Disposal			Ending balance		
					Shares	Amount	Shares	Amount	Shares	Amount	Cost	Gain(Loss) from disposal	Shares	Amount
Heli-Vantech Corp.	New Solar Power Corp.	Available-for-sale financial assets, noncurrent	-	No	-	-	6,188,886	\$96,782	2,300,000	\$127,179	\$35,968	\$91,211	3,888,886	\$60,814
Silicon Technology Investment (Cayman) Corp.	Wafer Works Epitaxial Corp.	Long-term equity investments under equity method	-	No	-	USD 8,543	-	USD (266) (Note1)	-	-	-	-	-	USD 8,277 (Note6)
Wealthy Rise International Limited	Jinzhou Yangguang Energy Co., Ltd.(Note2)	Long-term equity investments under equity method	Rising Sun Investments Company Limited	Yes	-	RMB 831,784	-	-	-	RMB 831,784	RMB 831,784	-	-	-
Wealthy Rise International Limited	Jinzhou JJ Solar Energy Co., Ltd.(Note 2)	Long-term equity investments under equity method	Rising Sun Investments Company Limited	Yes	-	RMB 122,108	-	-	-	RMB 122,108	RMB 122,108	-	-	-
Wealthy Rise International Limited	Jinzhou Youhua Silicon Materials Co., Ltd.(Note 2)	Long-term equity investments under equity method	Rising Sun Investments Company Limited	Yes	-	RMB 156,390	-	-	-	RMB 156,390	RMB 156,390	-	-	-
Rising Sun Investments Company Limited	Jinzhou Yangguang Energy Co., Ltd.(Note2)	Long-term equity investments under equity method	Wealthy Rise International Limited	Yes	-	-	-	RMB 934,781 (Note2)	-	-	-	-	-	RMB 934,781 (Note6)
Rising Sun Investments Company Limited	Jinzhou JJ Solar Energy Co., Ltd.(Note 2)	Long-term equity investments under equity method	Wealthy Rise International Limited	Yes	-	-	-	RMB 117,159 (Note3)	-	-	-	-	-	RMB 117,159 (Note6)
Rising Sun Investments Company Limited	Jinzhou Youhua Silicon Materials Co., Ltd.(Note 2)	Long-term equity investments under equity method	Wealthy Rise International Limited	Yes	-	-	-	RMB 197,430 (Note4)	-	-	-	-	-	RMB 197,430 (Note6)
Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Jinmao Photovoltaic Technology Co., Ltd.	Long-term equity investments under equity method	-	-	-	-	-	RMB 20,420 (Note5)	-	-	-	-	-	RMB 20,420 (Note6)

Note1 : Cash investment amounted to USD 7,100 thousand, Investment loss recognized under equity method amounted to USD (7,362) thousand and, Adjustment for Foreign Currency Translation amounted to USD (4) thousand.

Note2 : Rising Sun Investment Company Limited (100% investee of Solargiga Energy Holding Limited) was newly established via 100% of shares of Jinzhou Yangguang Energy Co., Ltd. amounted RMB 831,784 thousand dollars, and the investment loss recognized under equity method amounted to RMB (37,953) thousand dollars and cash investment by RMB 140,950 thousand dollars.

Note3 : Rising Sun Investment Company Limited (100% investee of Solargiga Energy Holding Limited) was newly established via 100% of shares of Jinzhou JJ Solar Energy Co., Ltd. amounted RMB 122,108 thousand dollars and investment loss recognized under equity method amounted to RMB (4,949) thousand dollars.

Note4 : Rising Sun Investment Company Limited (100% investee of Solargiga Energy Holding Limited) was newly established via 100% of shares of Jinzhou Youhua Silicon Material Co., Ltd. amounted RMB 156,390 thousand dollars, and the investment loss recognized under equity method amounted to RMB (2,570) thousand dollars and cash investment amounted RMB 43,610 thousand dollars.

Note5 : Cash investment amounted to RMB 20,420 thousand dollars, Investment gain recognized under equity method amounted to RMB 20 thousand dollars.

Note6 : Transactions between consolidated entities are eliminated in the consolidated financial statements.

ATTACHMENT 10 (Related party transactions for purchases and sales amount exceeding the lower of 100 million dollars or 20% of the Company's capital stock for the year ended December 31, 2009)
 (All the currencies are denominated in Thousands of RMB and USD unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

Purchase (sales) company	Related party	Relationship	Purchases (Sales)	Transactions			Details of non-arm's length transaction		Notes and accounts recevables(payable)		
				Amount	Percentage of total purchases (sales) (%)	Term	Unit Price	Term	Balance	Percentage of total receivables(%)	Note
Wafer Works (Shanghai) Corp.	Wafer Works Corp.	3rd lev1 subsidiary	Sales	RMB 37,191	21.30%	Received at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	RMB 5,676	9.78%	Note
Shanghai Jingji Electronics Material Co., Ltd.	Jinzhou Yangguang Energy Co., Ltd.	Affiliated Company	Sales	RMB 26,696	48.13%	Received at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	RMB 48,489	94.54%	Note
Wafer Works Epitaxial Corp.	Wafer Works Corp.	3rd lev1 subsidiary	Sales	RMB 55,742	75.13%	Received at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	RMB 13,955	55.84%	Note
Jinzhou Yangguang Energy Co., Ltd.	Wealthy Rise International Limited	Affiliated Company	Sales	RMB 38,862	6.56%	Received at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	RMB 14,197	8.17%	Note
Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Huachang Photovoltaic Technology Co.,Ltd.	Related party	Sales	RMB 195,555	33.01%	Received at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	RMB 88,094	50.75%	
Jinzhou Rixin Silicon Material Co., Ltd.	Jinzhou Yangguang Energy Co., Ltd.	Affiliated Company	Sales	RMB 100,892	100.00%	Received at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	-	- %	Note
Helitek Company Ltd.	Wafer Works Corp.	3rd lev1 subsidiary	Purchases	USD 18,298	84.38%	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	USD (4,918)	97.37%	Note
Wafer Works (Shanghai) Corp.	Wafer Works Corp.	3rd lev1 subsidiary	Purchases	RMB 60,376	52.87%	Received at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	RMB (3,876)	24.11%	Note
Wafer Works Epitaxial Corp.	Wafer Works Corp.	3rd lev1 subsidiary	Purchases	RMB 33,670	50.13%	Received at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	RMB (11,244)	62.98%	Note

ATTACHMENT 10-1 (Related party transactions for purchases and sales amount exceeding the lower of 100 million dollars or 20% of the Company's capital stock for the year ended December 31, 2009)
 (All the currencies are denominated in Thousands of RMB and USD unless otherwise specified)

WAFER WORKS CORP. AND ITS SUBSIDIARIES

Purchase(sales) company	Related party	Relationship	Purchases (Sales)	Transactions			Details of non-arm's length transaction		Notes and accounts receivables (payable)		
				Amount	Percentage of total purchases (sales)(%)	Term	Unit Price	Term	Balance	Percentage of total receivables(%)	Note
Wealthy Rise International Limited	Jinzhou Yangguang Energy Co., Ltd.	Affiliated Company	Purchases	USD 5,688	59.25%	Received at 30-60 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	USD (2,079)	73.08%	Note
Jinzhou Yangguang Energy Co., Ltd.	Wafer Works Corp.	Affiliated Company	Purchases	RMB 95,030	15.21%	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	RMB (46,754)	49.35%	Note
Shanghai Jingji Electronics Material Co., Ltd.	Wafer Works Corp.	Affiliated Company	Purchases	RMB 30,395	48.29%	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	-	- %	Note
Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Youxin Electronic Material Co., Ltd.	Related party	Purchases	RMB 22,318	3.57%	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	RMB (2,717)	2.87%	
Jinzhou Yangguang Energy Co., Ltd.	Shanghai Jingji Electronics Material Co., Ltd.	Affiliated Company	Purchases	RMB 26,696	4.27%	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	RMB (48,489)	51.18%	Note
Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	Related party	Purchases	RMB 100,892	12.74%	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	N/A	N/A	-	- %	Note

Note : Transactions between consolidated entities are eliminated in the consolidated financial statements.

ATTACHMENT 11 (Receivables from related parties exceeding the lower of 100 million dollars or 20% of the Company's capital stock for the year ended December 31, 2009
(All the currencies are denominated in Thousands of RMB unless otherwise specified))

WAFER WORKS CORP. AND ITS SUBSIDIARIES

Accounts receivable were recognized below companies	Related party	Relationship	Ending Balance	Turnover rate(times)	Overdue receivables		Amount received in subsequent period	Allowance for doubtful debt & sales return accounts
					Amount	Collection status		
Shanghai Jingji Electronics Material Co., Ltd.	Jinzhou Yangguang Energy Co., Ltd.	Affiliated Company	RMB 48,489 (Note)	0.62	\$-	-	\$-	\$-
Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Huachang Photovoltaic Technology Co.,Ltd.	Related party	RMB 88,094	4.40	\$-	-	\$-	\$-

Note : Transactions between consolidated entities are eliminated in the consolidated financial statements.

WAFER WORKS CORP. AND ITS SUBSIDIARIES

No (Note1)	Company name	counter party	Nature of relationship (Note 2)	Intercompany transactions			
				Financial Statement Account	Amount	Terms	Percentage of consolidated total gross sales or total assets (Note3)
	<u>2009</u>						
0	Wafer Works Corp.	Helitek Company Ltd.	1	Sales	\$598,497	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	9.42%
0	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Sales	203,546	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	3.21%
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Sales	160,379	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	2.53%
0	Wafer Works Corp.	Jinzhou Yangguang Energy Co., Ltd.	1	Sales	83,825	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	1.32%
0	Wafer Works Corp.	Shanghai Jingji Electronics Material Co., Ltd.	1	Sales	30,320	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.48%
0	Wafer Works Corp.	Wafer Works Optronics Corp.	1	Sales	19	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	-
0	Wafer Works Corp.	Jinzhou Yangguang Energy Co., Ltd.	1	Other non-operating Income	25,278	-	0.40%
0	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Other non-operating Income	1,888	-	0.03%
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Other non-operating Income	457	-	0.01%
0	Wafer Works Corp.	Wafer Works Optronics Corp.	1	Other non-operating expenses	447	-	0.01%
0	Wafer Works Corp.	Shanghai Jingji Electronics Material Co., Ltd.	1	Other non-operating expenses	14,093	-	0.22%
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Purchases	265,606	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	4.18%
0	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Purchases	179,987	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	2.83%
0	Wafer Works Corp.	Wealthy Rise International Limited	1	Purchases	44,635	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.70%
0	Wafer Works Corp.	Jinzhou Yangguang Energy Co., Ltd.	1	Purchases	40,607	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.64%
0	Wafer Works Corp.	Shanghai Jingji Electronics Material Co., Ltd.	1	Purchases	18,860	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.30%
0	Wafer Works Corp.	Helitek Company Ltd.	1	Purchases	6,997	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.11%
0	Wafer Works Corp.	Helitek Company Ltd.	1	Manufacturing expenses	4,134	-	0.07%
0	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Manufacturing expenses	281	-	-
0	Wafer Works Corp.	Wealthy Rise International Limited	1	Manufacturing expenses	7	-	-
0	Wafer Works Corp.	Helitek Company Ltd.	1	Accounts receivable	157,307	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.75%
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Accounts receivable	81,398	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.39%
0	Wafer Works Corp.	Jinzhou Yangguang Energy Co., Ltd.	1	Accounts receivable	81,395	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	0.39%
0	Wafer Works Corp.	Wealthy Rise International Limited	1	Accounts receivable	17,275	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	0.08%
0	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Accounts receivable	7,217	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.03%
0	Wafer Works Corp.	Wafer Works Optronics Corp.	1	Accounts receivable	18	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	-
0	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Other receivables	20,871	-	0.10%
0	Wafer Works Corp.	Silicon Technology Investment (Cayman) Corp.	1	Other receivables	14,520	-	0.07%
0	Wafer Works Corp.	Jinzhou Yangguang Energy Co., Ltd.	1	Other receivables	5,012	-	0.02%
0	Wafer Works Corp.	Wafer Works Optronics Corp.	1	Other receivables	2,292	-	0.01%
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Other receivables	510	-	-
0	Wafer Works Corp.	Helitek Company Ltd.	1	Other receivables	34	-	-
0	Wafer Works Corp.	Shanghai Jingji Electronics Material Co., Ltd.	1	Other receivables	23	-	-
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Accounts payable	63,470	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.30%

No	Company name	counter party	Nature of relationship (Note 2)	Intercompany transactions			
				Financial Statement Account	Amount	Terms	Percentage of consolidated total gross sales or total assets (Note3)
8	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Accounts payable	25,725	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.12%
8	Wafer Works Corp.	Helitek Company Ltd.	1	Accounts payable	931	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	-
8	Wafer Works Corp.	Shanghai Jingji Electronics Material Co., Ltd.	1	Accounts payable	227	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	-
8	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Other payables	4,672	-	0.02%
8	Wafer Works Corp.	Helitek Company Ltd.	1	Other payables	4,336	-	0.02%
8	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Other payables	69	-	-
8	Wafer Works Corp.	Jinzhou Yangguang Energy Co., Ltd.	1	Advance sales receipts	85,742	-	0.41%
8	Wafer Works Corp.	Wafer Works Optronics Corp.	1	Sale of property, plant and equipment	22	-	-
1	Heli-Vantech Corp.	Wafer Works Optronics Corp.	3	Other receivables	336	-	-
6	Wafer Works Optronics Corp.	Helitek Company Ltd.	3	Sales	1,196	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.02%
6	Wafer Works Optronics Corp.	Helitek Company Ltd.	3	Purchases	645	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.01%
6	Wafer Works Optronics Corp.	Wafer Works (Shanghai) Corp.	3	Purchases	15	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	-
6	Wafer Works Optronics Corp.	Wafer Works (Shanghai) Corp.	3	Purchase of property, plant and equipment	1,007	-	-
6	Wafer Works Optronics Corp.	Golden Power Trading Limited	3	Other receivables	83	-	-
6	Wafer Works Optronics Corp.	Wafer Works (Shanghai) Corp.	3	Other payables	1,007	-	-
4	Helitek Company Ltd.	Wafer Works (Shanghai) Corp.	3	Sales	USD 197	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.10%
4	Helitek Company Ltd.	Wafer Works Epitaxial Corp.	3	Sales	USD 29	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.02%
4	Helitek Company Ltd.	Wafer Works (Shanghai) Corp.	3	Accounts receivable	USD 59	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.01%
4	Helitek Company Ltd.	Wafer Works Epitaxial Corp.	3	Accounts receivable	USD 6	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	-
8	Wafer Works (Shanghai) Corp.	Wafer Works Epitaxial Corp.	3	Sales	RMB 9,950	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.76%
8	Wafer Works (Shanghai) Corp.	Wafer Works Epitaxial Corp.	3	Purchases	RMB 10,334	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.79%
8	Wafer Works (Shanghai) Corp.	Shanghai Jingji Electronics Material Co., Ltd.	3	Purchases	RMB 426	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.03%
8	Wafer Works (Shanghai) Corp.	Wafer Works Epitaxial Corp.	3	Accounts receivable	RMB 2,428	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.05%
8	Wafer Works (Shanghai) Corp.	Wafer Works Epitaxial Corp.	3	Other payables	RMB 260	-	5.82%
8	Wafer Works (Shanghai) Corp.	Shanghai Jingji Electronics Material Co., Ltd.	3	Other receivables	RMB 246	-	0.01%
8	Wafer Works (Shanghai) Corp.	Wafer Works Epitaxial Corp.	3	Accounts payable	RMB 3,947	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.09%
8	Wafer Works (Shanghai) Corp.	Shanghai Jingji Electronics Material Co., Ltd.	3	Accounts payable	RMB 27	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	-
5	Wafer Works Investment Corp.	Wafer Works Epitaxial Corp.	3	Other receivables	USD 7,000	-	10.71%
5	Wafer Works Investment Corp.	Silicon Technology Investment (Cayman) Corp.	3	Other receivables	USD 2,201	-	0.34%
6	Silicon Technology Investment (Cayman) Corp.	Sharp Right Limited Co., Ltd.	3	Other payables	USD 1,050	-	0.16%
5	Solargiga Energy Holdings Limited	Solar Technology Investment (Cayman) Corp.	3	Other receivables	RMB 5,420	-	0.12%
5	Solargiga Energy Holdings Limited	Wealthy Rise International Limited	3	Other receivables	RMB 732,917	-	16.42%
5	Solargiga Energy Holdings Limited	Tayaneng Investments Limited	3	Other receivables	RMB 7	-	-
5	Solargiga Energy Holdings Limited	Wealthy Rise International Limited	3	Other payables	RMB 215,558	-	4.83%
5	Solargiga Energy Holdings Limited	Solar Technology Investment (Cayman) Corp.	3	Other payables	RMB 21,765	-	0.49%
8	Solartech Technology Investment (Cayman) Corp.	Wealthy Rise International Limited	3	Other receivables	RMB 97,196	-	2.18%
8	Solartech Technology Investment (Cayman) Corp.	Silicon Solar Materials Company Limited	3	Other receivables	RMB 47,469	-	1.06%
9	Tayaneng Investment Limited	Wealthy Rise International Limited	3	Other receivables	RMB 131,245	-	2.94%
10	Silicon Solar Materials Company Limited	Wealthy Rise International Limited	3	Other payables	RMB 20	-	-
6	Wealthy Rise International Limited	Jinzhou Yangguang Energy Co., Ltd.	3	Sales	USD 398	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	0.21%

No (Note1)	Company name	counter party	Nature of relationship (Note 2)	Intercompany transactions			
				Financial Statement Account	Amount	Terms	Percentage of consolidated total gross sales or total assets (Note3)
6	Wealthy Rise International Limited	Jinzhou Yangguang Energy Co., Ltd.	3	Purchases	USD 5,688	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	2.96%
6	Wealthy Rise International Limited	Jinzhou Yangguang Energy Co., Ltd.	3	Accounts receivable	USD 398	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	0.06%
6	Wealthy Rise International Limited	Jinzhou Yangguang Energy Co., Ltd.	3	Accounts payable	USD 2,079	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.32%
6	Wealthy Rise International Limited	Jinzhou Yangguang Energy Co., Ltd.	3	Advance sales receipts	USD 7,000	-	1.07%
6	Wealthy Rise International Limited	Rising Sun Investment Company Co., Ltd.	3	Other receivables	RMB 922,765	-	20.67%
12	Shanghai Jingji Electronics Material Co., Ltd.	Jinzhou Yangguang Energy Co., Ltd.	3	Sales	RMB 26,696	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	2.03%
12	Shanghai Jingji Electronics Material Co., Ltd.	Jinzhou Yangguang Energy Co., Ltd.	3	Accounts receivable	RMB 48,489	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	1.09%
12	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	3	Sales	RMB 2,377	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.18%
12	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou JJ Solar Energy Co., Ltd.	3	Sales	RMB 1,555	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.12%
12	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Jinmao Photovoltaic Technology Co., Ltd.	3	Sales	RMB 70	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.01%
12	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	3	Purchases	RMB 100,892	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	7.83%
12	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou JJ Solar Energy Co., Ltd.	3	Purchases	RMB 19,118	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	1.93%
12	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Jinmao Photovoltaic Technology Co., Ltd.	3	Purchases	RMB 1,294	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.10%
12	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Jinmao Photovoltaic Technology Co., Ltd.	3	Accounts receivable	RMB 82	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	-
12	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	3	Prepayment	RMB 49,121	-	1.10%
12	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou JJ Solar Energy Co., Ltd.	3	Prepayment	RMB 12,428	-	0.28%
12	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Jinmao Photovoltaic Technology Co., Ltd.	3	Prepayment	RMB 3,246	-	0.07%
12	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou JJ Solar Energy Co., Ltd.	3	Advance sales receipts	RMB 32,000	-	0.72%
12	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Youhua Silicon Materials Co., Ltd.	3	Advance sales receipts	RMB 231,720	-	5.19%
14	Jinzhou JJ Solar Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	3	Sales	RMB 587	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.04%
14	Jinzhou JJ Solar Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	3	Accounts receivable	RMB 687	Received at 60~90 days after shipment arrival by using telegraphic transfer (T/T)	0.02%

Note 1: Wafer Works Corp. and its subsidiaries are coded as follows:

1. Wafer Works Corp. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows :

1. Investor to investee
2. Investee to investor.
3. Investee to investee.

Note 3: The percentage base with respect to the total consolidated revenue-weighted average (about income statement accounts) or total assets (about balance sheet accounts).

WAFER WORKS CORP. AND ITS SUBSIDIARIES

No (Note1)	Company name	counter party	Nature of relationship (Note 2)	Intercompany transactions			
				Financial Statement Account	Amount	Terms	Percentage of consolidated total gross sales or total assets (Note3)
	<u>2008</u>						
0	Wafer Works Corp.	Helitek Company Ltd.	1	Sales	\$1,068,182	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	9.44%
0	Wafer Works Corp.	Wealthy Rise International Limited	1	Sales	341,298	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	3.02%
0	Wafer Works Corp.	Jinzhou Yangguang Energy Co., Ltd.	1	Sales	270,192	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	2.39%
0	Wafer Works Corp.	Shanghai Jingji Electronics Material Co., Ltd.	1	Sales	157,362	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	1.39%
0	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Sales	97,417	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.86%
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Sales	83,357	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.74%
0	Wafer Works Corp.	Wafer Works Optronics Corp.	1	Sales	48	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	-
0	Wafer Works Corp.	Wealthy Rise International Limited	1	Other non-operating Income	91,188	-	0.81%
0	Wafer Works Corp.	Jinzhou Yangguang Energy Co., Ltd.	1	Other non-operating Income	25,909	-	0.23%
0	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Other non-operating Income	10,758	-	0.10%
0	Wafer Works Corp.	Shanghai Jingji Electronics Material Co., Ltd.	1	Other non-operating Income	4,096	-	0.04%
0	Wafer Works Corp.	Wafer Works Optronics Corp.	1	Other non-operating Income	91	-	-
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Other non-operating expense	2,286	-	0.02%
0	Wafer Works Corp.	Wealthy Rise International Limited	1	Purchases	463,911	Paid at 30-60 days after shipment arrival by using telegraphic transfer (T/T)	4.10%
0	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Purchases	336,025	Paid at 30-60 days after shipment arrival by using telegraphic transfer (T/T)	2.97%
0	Wafer Works Corp.	Shanghai Jingji Electronics Material Co., Ltd.	1	Purchases	269,301	Paid at 30-60 days after shipment arrival by using telegraphic transfer (T/T)	2.38%
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Purchases	151,243	Paid at 30 days after shipment arrival by using telegraphic transfer (T/T)	1.34%
0	Wafer Works Corp.	Jinzhou Yangguang Energy Co., Ltd.	1	Purchases	91,199	Paid at 30-60 days after shipment arrival by using telegraphic transfer (T/T)	0.81%
0	Wafer Works Corp.	Helitek Company Ltd.	1	Purchases	7,371	Paid at 30-60 days after shipment arrival by using telegraphic transfer (T/T)	0.07%
0	Wafer Works Corp.	Helitek Company Ltd.	1	Accounts receivable	172,075	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.87%
0	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Accounts receivable	64,726	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.33%
0	Wafer Works Corp.	Wealthy Rise International Limited	1	Accounts receivable	29,844	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	0.15%
0	Wafer Works Corp.	Jinzhou Yangguang Energy Co., Ltd.	1	Accounts receivable	11,823	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.06%
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Accounts receivable	3,720	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.02%
0	Wafer Works Corp.	Shanghai Jingji Electronics Material Co., Ltd.	1	Accounts receivable	2,074	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	0.01%
0	Wafer Works Corp.	Wafer Works Optronics Corp.	1	Accounts receivable	2	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	-
0	Wafer Works Corp.	Wealthy Rise International Limited	1	Other receivables	127,919	-	0.65%
0	Wafer Works Corp.	Shanghai Jingji Electronics Material Co., Ltd.	1	Other receivables	85,571	-	0.43%
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Other receivables	21,712	-	0.11%
0	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Other receivables	18,709	-	0.09%
0	Wafer Works Corp.	Heli-Vantech Corp.	1	Other receivables	16,150	-	0.08%
0	Wafer Works Corp.	Silicon Technology Investment (Cayman) Corp.	1	Other receivables	3,547	-	0.02%
0	Wafer Works Corp.	Wafer Works Optronics Corp.	1	Other receivables	3,462	-	0.02%
0	Wafer Works Corp.	Jinzhou Yangguang Energy Co., Ltd.	1	Other receivables	3,106	-	0.02%

No (Note1)	Company name	counter party	Nature of relationship (Note 2)	Intercompany transactions			
				Financial Statement Account	Amount	Terms	Percentage of consolidated total gross sales or total assets (Note3)
0	Wafer Works Corp.	Helitek Company Ltd.	1	Other receivables	71	-	-
0	Wafer Works Corp.	Solar Technology Investment (Cayman) Corp.	1	Other receivables	57	-	-
0	Wafer Works Corp.	Wealthy Rise International Limited	1	Accounts payable	125,005	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.63%
0	Wafer Works Corp.	Shanghai Jingji Electronics Material Co., Ltd.	1	Accounts payable	29,879	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.15%
0	Wafer Works Corp.	Wafer Works (Shanghai) Corp.	1	Accounts payable	28,581	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.15%
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Accounts payable	15,487	Paid at 30 days after shipment arrival by using telegraphic transfer (T/T)	0.08%
0	Wafer Works Corp.	Helitek Company Ltd.	1	Accounts payable	642	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	-
0	Wafer Works Corp.	Helitek Company Ltd.	1	Other payables	338	-	-
0	Wafer Works Corp.	Silicon Technology Investment (Cayman) Corp.	1	Other payables	20	-	-
0	Wafer Works Corp.	Wafer Works Epitaxial Corp.	1	Advance receipts	118,842	-	0.60%
0	Wafer Works Corp.	Wafer Works Optronics Corp.	1	Sale of property, plant and equipment	1,171	-	0.01%
1	Heli-Vantech Corp.	Wafer Works Optronics Corp.	3	Other receivables	320	-	-
1	Heli-Vantech Corp.	Wafer Works Optronics Corp.	3	Sale of property, plant and equipment	4,518	-	0.02%
2	Wafer Works Optronics Corp.	Helitek Company Ltd.	3	Sales	2,568	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.02%
2	Wafer Works Optronics Corp.	Wafer Works (Shanghai) Corp.	3	Purchases	66	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	-
2	Wafer Works Optronics Corp.	Helitek Company Ltd.	3	Other non-operating income	8	-	-
2	Wafer Works Optronics Corp.	Helitek Company Ltd.	3	Other receivables	8	-	-
3	Helitek Company Ltd.	Wafer Works Epitaxial Corp.	3	Sales	USD 223	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.06%
3	Helitek Company Ltd.	Wafer Works (Shanghai) Corp.	3	Sales	USD 202	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.06%
3	Helitek Company Ltd.	Shanghai Jingji Electronics Material Co., Ltd.	3	Sales	USD 8	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	-
3	Helitek Company Ltd.	Wafer Works (Shanghai) Corp.	3	Accounts receivable	USD 40	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.01%
3	Helitek Company Ltd.	Shanghai Jingji Electronics Material Co., Ltd.	3	Accounts receivable	USD 6	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	-
3	Helitek Company Ltd.	Wafermaster Investment Corp.	3	Other receivables	USD 167	-	0.03%
4	Wafer Works (Shanghai) Corp.	Shanghai Jingji Electronics Material Co., Ltd.	3	Sales	RMB 25,483	Received at 30 days after shipment arrival by using telegraphic transfer (T/T)	1.02%
4	Wafer Works (Shanghai) Corp.	Wafer Works Epitaxial Corp.	3	Sales	RMB 8,424	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.34%
4	Wafer Works (Shanghai) Corp.	Jinzhou Yangguang Energy Co., Ltd.	3	Sales	RMB 3,943	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.16%
4	Wafer Works (Shanghai) Corp.	Wafer Works Epitaxial Corp.	3	Purchases	RMB 19,829	Paid at 30 days after shipment arrival by using telegraphic transfer (T/T)	0.80%
4	Wafer Works (Shanghai) Corp.	Jinzhou Yangguang Energy Co., Ltd.	3	Purchases	RMB 10,870	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.44%
4	Wafer Works (Shanghai) Corp.	Shanghai Jingji Electronics Material Co., Ltd.	3	Purchases	RMB 5,369	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.22%
4	Wafer Works (Shanghai) Corp.	Shanghai Jingji Electronics Material Co., Ltd.	3	Accounts receivable	RMB 18,896	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.46%
4	Wafer Works (Shanghai) Corp.	Jinzhou Yangguang Energy Co., Ltd.	3	Accounts receivable	RMB 4,613	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.11%
4	Wafer Works (Shanghai) Corp.	Wafer Works Epitaxial Corp.	3	Accounts receivable	RMB 685	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.02%
4	Wafer Works (Shanghai) Corp.	Jinzhou Yangguang Energy Co., Ltd.	3	Other receivables	RMB 160	-	-
4	Wafer Works (Shanghai) Corp.	Wafer Works Epitaxial Corp.	3	Accounts payable	RMB 5,814	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.14%
4	Wafer Works (Shanghai) Corp.	Shanghai Jingji Electronics Material Co., Ltd.	3	Accounts payable	RMB 1,149	Paid at 30~60 days after shipment arrival by using telegraphic transfer (T/T)	0.03%
5	Wafer Works Investment Corp.	Wafer Works Epitaxial Corp.	3	Other receivables	USD 10,000	-	1.67%
6	Silicon Technology Investment (Cayman) Corp.	Solar Technology Investment (Cayman) Corp.	3	Other receivables	USD 1	-	-
6	Silicon Technology Investment (Cayman) Corp.	Sharp Right Limited Co., Ltd.	3	Other payables	USD 1,000	-	0.17%

No	Company name	counter party	Nature of relationship (Note 2)	Intercompany transactions			
				Financial Statement Account	Amount	Terms	Percentage of consolidated total gross sales or total assets (Note3)
6	Silicon Technology Investment (Cayman) Corp.	Wafer Works Epitaxial Corp.	3	Other payables	USD 1	-	-
7	Solargiga Energy Holdings Limited	Solar Technology Investment (Cayman) Corp.	3	Other receivables	RMB 2,934	-	0.07%
7	Solargiga Energy Holdings Limited	Wealthy Rise International Limited	3	Other receivables	RMB 735,818	-	17.99%
7	Solargiga Energy Holdings Limited	Tayaneng Investments Limited	3	Other receivables	RMB 7	-	-
7	Solargiga Energy Holdings Limited	Wealthy Rise International Limited	3	Other payables	RMB 216,845	-	5.30%
7	Solargiga Energy Holdings Limited	Solar Technology Investment (Cayman) Corp.	3	Other payables	RMB 19,344	-	0.47%
8	Solar Technology Investment (Cayman) Corp.	Wealthy Rise International Limited	3	Other receivables	RMB 97,344	-	2.38%
8	Solar Technology Investment (Cayman) Corp.	Shanghai Jingji Electronics Material Co., Ltd.	3	Other receivables	RMB 47,707	-	1.17%
8	Solar Technology Investment (Cayman) Corp.	Silicon Solar Materials Company Limited	3	Other receivables	RMB 3,956	-	0.10%
9	Tayaneng Investment Limited	Wealthy Rise International Limited	3	Other receivables	RMB 131,291	-	3.21%
10	Silicon Solar Materials Company Limited	Wealthy Rise International Limited	3	Other payables	RMB 18	-	-
11	Wealthy Rise International Limited	Jinzhou Yangguang Energy Co., Ltd.	3	Sales	USD 362	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.10%
11	Wealthy Rise International Limited	Jinzhou Yangguang Energy Co., Ltd.	3	Purchases	USD 12,358	Paid at 30-60 days after shipment arrival by using telegraphic transfer (T/T)	3.45%
11	Wealthy Rise International Limited	Jinzhou Yangguang Energy Co., Ltd.	3	Accounts payable	USD 2,636	Paid at 30-60 days after shipment arrival by using telegraphic transfer (T/T)	0.44%
12	Shanghai Jingji Electronics Material Co., Ltd.	Jinzhou Yangguang Energy Co., Ltd.	3	Sales	RMB 81,498	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	3.27%
12	Shanghai Jingji Electronics Material Co., Ltd.	Jinzhou Yangguang Energy Co., Ltd.	3	Purchases	RMB 2,607	Paid at 30-60 days after shipment arrival by using telegraphic transfer (T/T)	0.10%
12	Shanghai Jingji Electronics Material Co., Ltd.	Jinzhou Yangguang Energy Co., Ltd.	3	Accounts receivable	RMB 34,458	Received at 60 days after shipment arrival by using telegraphic transfer (T/T)	0.79%
13	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	3	Other non-operating income	RMB 1,581	-	0.04%
13	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	3	Purchases	RMB 53,782	Paid at 30-60 days after shipment arrival by using telegraphic transfer (T/T)	2.16%
13	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	3	Prepayment	RMB 6,313	-	0.15%
13	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou JJ Solar Energy Co., Ltd.	3	Advance sales receipts	RMB 32,000	-	0.78%
13	Jinzhou Yangguang Energy Co., Ltd.	Jinzhou Youhua Silicon Materials Co., Ltd.	3	Advance sales receipts	RMB 76,120	-	1.86%
14	Jinzhou JJ Solar Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	3	Purchases	RMB 2,074	Paid at 30-60 days after shipment arrival by using telegraphic transfer (T/T)	0.08%
14	Jinzhou JJ Solar Energy Co., Ltd.	Jinzhou Rixin Silicon Material Co., Ltd.	3	Accounts payable	RMB 2,427	-	0.06%

Note 1: Wafer Works Corp. and its subsidiaries are coded as follows:

1. Wafer Works Corp. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows :

1. Investor to investee
2. Investee to investor.
3. Investee to investee.

Note 3: The percentage base with respect to the total consolidated revenue-weighted average (about income statement accounts) or total assets (about balance sheet accounts).