

**CORETRONIC CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**WITH**

**REPORT OF INDEPENDENT ACCOUNTANTS**

**FOR THE THREE MONTHS ENDED**

**MARCH 31, 2017 AND 2016**

Address: No.11, Lixing Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.)  
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## Review Report of Independent Accountants

To Coretronic Corporation

We have reviewed the accompanying consolidated balance sheets of Coretronic Corporation and its subsidiaries ("the Group") as of March 31, 2017 and March 31, 2016 and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the three months then ended. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to issue a report based on our reviews.

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statements of Auditing Standards NO. 36, "Review of Financial Statements" of the Republic of China. A review is limited primarily to applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

As disclosed in Note 4(3) to the consolidated financial statements, the financial statements of certain consolidated subsidiaries, which statements reflect total assets amounted to NT\$14,187,833 thousand and NT\$13,697,674 thousand, represented 30.63% and 28.90% of the total consolidated assets as of March 31, 2017 and 2016, respectively, total liabilities amounted to NT\$852,568 thousand and NT\$1,198,047 thousand, represented 3.62% and 5.49% of the total consolidated liabilities as of March 31, 2017 and 2016, respectively, and total comprehensive income amounted to NT\$(448,399) thousand and NT\$(40,807) thousand, represented 45.87% and 102.27% of the total consolidated comprehensive income for the three months ended March 31, 2017 and 2016, respectively, are based solely on the unreviewed financial statements. As disclosed in Note 6(7) to the consolidated financial statements, the balances of the Group's investments accounted for using the equity method amounted to NT\$29,364 thousand and NT\$29,925 thousand, which represented 0.06% and 0.06% of the total consolidated assets as of March 31, 2017 and 2016, respectively, and the Group's share of loss of associates and joint ventures accounted for using the equity method amounted to NT\$1,282 thousand and NT\$0 thousand, which represented 0.13% and 0% of the total consolidated comprehensive income for the three months ended March 31, 2017 and 2016, respectively, are based solely on the unreviewed financial statements. In addition, the certain information disclosed in Note 13 is based solely on the unreviewed financial statements.

Based on our reviews, except for the effects of such adjustments, as might have been determined to be necessary the financial statements of certain consolidated subsidiaries and investments accounted for using equity method mentioned above been recognized based on reviewed financial statements, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the requirements of Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting", endorsed and became effective by Financial Supervisory Commission of the Republic of China.



Ernst & Young  
CERTIFIED PUBLIC ACCOUNTANTS  
April 26, 2017  
Taipei, Taiwan  
Republic of China

### Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the R.O.C. and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the R.O.C.

English Translation of Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of March 31, 2017, December 31, 2016, and March 31, 2016

(March 31, 2017 and 2016 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	March 31, 2017	%	December 31, 2016	%	March 31, 2016	%
<b>Current assets</b>							
Cash and cash equivalents	6(1)	\$ 16,577,339	35.79	\$ 15,302,189	30.39	\$ 14,455,645	30.50
Financial assets at fair value through profit or loss-current	6(2)	35,137	0.08	171,055	0.34	215,298	0.45
Hedging derivative financial assets-current	12	411,800	0.89	146,604	0.29	250,388	0.53
Note receivables, net		42,944	0.09	54,056	0.11	52,109	0.11
Trade receivables, net	6(5)	12,557,294	27.11	17,534,750	34.82	14,141,174	29.84
Trade receivables-related parties, net	6(5), 7	1,240	-	229	-	3,176	0.01
Other receivables	8	375,687	0.81	390,446	0.78	241,685	0.51
Current tax assets	6(22)	13,407	0.03	12,985	0.02	3,804	0.01
Inventories, net	6(6)	7,196,528	15.54	7,175,756	14.25	7,211,295	15.22
Prepayments		497,851	1.07	467,257	0.93	590,782	1.25
Other current assets		161,873	0.35	184,701	0.37	164,246	0.34
Total current assets		37,871,100	81.76	41,440,028	82.30	37,329,602	78.77
<b>Non-current assets</b>							
Available-for-sale financial assets-noncurrent	6(3)	68,664	0.15	54,962	0.11	60,567	0.13
Financial assets measured at cost-noncurrent	6(4)	323,348	0.70	327,480	0.65	327,984	0.69
Investments accounted for using equity method(unreviewed)	6(7)	29,364	0.06	30,646	0.06	29,925	0.06
Property, plant and equipment, net	6(8)	7,074,769	15.28	7,543,772	14.98	8,652,039	18.26
Investment property, net	6(9)	190,551	0.41	192,564	0.38	198,603	0.42
Intangible assets	6(10)	108,659	0.23	120,774	0.24	126,090	0.27
Deferred tax assets	6(22)	292,309	0.63	241,359	0.48	227,852	0.48
Other noncurrent assets	8	359,650	0.78	401,844	0.80	436,214	0.92
Total non-current assets		8,447,314	18.24	8,913,401	17.70	10,059,274	21.23
<b>Total assets</b>		<u>\$ 46,318,414</u>	<u>100.00</u>	<u>\$ 50,353,429</u>	<u>100.00</u>	<u>\$ 47,388,876</u>	<u>100.00</u>

(continued)

English Translation of Financial Statements Originally Issued in Chinese  
CORETRONIC CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

As of March 31, 2017, December 31, 2016, and March 31, 2016

(March 31, 2017 and 2016 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	March 31, 2017	%	December 31, 2016	%	March 31, 2016	%
<b>Current liabilities</b>							
Short-term borrowings	6(11)	\$ 7,310,849	15.78	\$ 6,622,586	13.15	\$ 2,586,109	5.46
Financial liabilities at fair value through profit or loss-current	6(12)	162,663	0.35	79,603	0.16	119,595	0.25
Hedging derivative financial liabilities-current	12	413,952	0.89	143,274	0.28	229,837	0.48
Notes payable		10,755	0.02	2,777	0.01	12,531	0.03
Accounts payables		9,424,378	20.35	12,467,378	24.76	12,131,520	25.60
Accounts payables-related parties	7	38,862	0.09	40,850	0.08	31,444	0.07
Other payables		3,326,718	7.18	4,153,319	8.25	3,831,761	8.09
Current tax liabilities	6(22)	885,304	1.91	970,288	1.93	885,591	1.87
Provisions-current	6(15)	840,296	1.82	849,456	1.69	863,552	1.82
Other current liabilities		717,821	1.55	856,424	1.69	863,970	1.82
Current portion of long-term borrowings	6(13)	3,750	0.01	1,875	-	-	-
Total current liabilities		23,135,348	49.95	26,187,830	52.00	21,555,910	45.49
<b>Non-current liabilities</b>							
Long-term borrowings	6(13)	26,250	0.06	28,125	0.06	-	-
Deferred tax liabilities	6(22)	66,942	0.14	62,048	0.12	57,394	0.12
Net defined benefit liabilities-noncurrent	6(14)	295,417	0.64	297,754	0.59	192,734	0.41
Other noncurrent liabilities		23,939	0.05	22,997	0.05	21,836	0.04
Total non-current liabilities		412,548	0.89	410,924	0.82	271,964	0.57
Total liabilities		23,547,896	50.84	26,598,754	52.82	21,827,874	46.06
<b>Equity attributable to owners of the parent</b>							
Share capital							
Common stock	6(16)	4,344,231	9.38	4,344,231	8.63	5,430,289	11.46
Capital surplus	6(16)	4,688,244	10.12	4,627,479	9.19	4,624,208	9.76
Retained earnings	6(16), 6(22)						
Legal reserve		3,201,027	6.91	3,201,027	6.36	3,010,522	6.35
Special reserve		1,290,820	2.79	1,290,820	2.56	1,290,820	2.72
Unappropriated retained earnings		9,118,217	19.68	8,841,168	17.56	8,300,340	17.52
Total retained earnings		13,610,064	29.38	13,333,015	26.48	12,601,682	26.59
Other equity		(1,807,380)	(3.90)	(671,630)	(1.33)	577,584	1.22
<b>Non-controlling interests</b>	6(16), 6(24), 6(25)	1,935,359	4.18	2,121,580	4.21	2,327,239	4.91
Total equity		22,770,518	49.16	23,754,675	47.18	25,561,002	53.94
<b>Total liabilities and equity</b>		<u>\$ 46,318,414</u>	<u>100.00</u>	<u>\$ 50,353,429</u>	<u>100.00</u>	<u>\$ 47,388,876</u>	<u>100.00</u>

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

English Translation of Financial Statements Originally Issued in Chinese  
CORETRONIC CORPORATION AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the three months periods ended March 31, 2017 and 2016  
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	For the three months periods ended March 31,			
		2017	%	2016	%
Net sales	6(15), 6(17), 7	\$ 12,225,573	100.00	\$ 13,896,157	100.00
Operating costs	6(6), 6(10), 6(14), 6(18), 6(19), 7	10,268,456	83.99	11,832,069	85.15
Gross profit		1,957,117	16.01	2,064,088	14.85
Operating expenses	6(10), 6(14), 6(18), 6(19)				
Selling expenses		431,278	3.53	480,985	3.46
General and administrative expenses		577,267	4.72	631,346	4.54
Research and development expenses		688,757	5.63	754,599	5.43
Total operating expenses		1,697,302	13.88	1,866,930	13.43
Operating income		259,815	2.13	197,158	1.42
Non-operating income and expenses					
Other income	6(20)	120,783	0.99	120,544	0.87
Other gains and losses	6(20)	1,705	0.01	124,267	0.89
Finance costs	6(20)	(36,795)	(0.30)	(27,618)	(0.20)
Share of loss of associates and joint ventures accounted for using equity method	6(7)	(1,282)	(0.01)	-	-
Total non-operating income and expenses		84,411	0.69	217,193	1.56
Income before income tax		344,226	2.82	414,351	2.98
Income tax expense	6(22)	(105,833)	(0.87)	(131,546)	(0.95)
Net income		238,393	1.95	282,805	2.03
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(21)	(1,224,359)	(10.01)	(339,177)	(2.44)
Unrealized gains from available-for-sale financial assets	6(21)	13,702	0.11	5,138	0.04
(Loss) gain on effective portion of cash flow hedges	6(21)	(4,841)	(0.04)	12,230	0.09
Income tax related to items that may be reclassified subsequently to profit or loss	6(21), 6(22)	(430)	-	(896)	(0.01)
Other comprehensive income, net of tax		(1,215,928)	(9.94)	(322,705)	(2.32)
Total comprehensive loss		\$ (977,535)	(7.99)	\$ (39,900)	(0.29)
Net income (loss) for the periods attributable to :					
Shareholders of the parent	6(23)	\$ 277,049		\$ 321,936	
Non-controlling interests	6(16), 6(25)	\$ (38,656)		\$ (39,131)	
Total comprehensive (loss) income for the periods attributable to :					
Shareholders of the parent		\$ (858,701)		\$ 23,296	
Non-controlling interests		\$ (118,834)		\$ (63,196)	
Basic Earnings Per Share (in New Taiwan Dollars)	6(23)	\$ 0.64		\$ 0.59	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(23)	\$ 0.63		\$ 0.58	

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

English Translation of Financial Statements Originally Issued in Chinese  
CORETRONIC CORPORATION AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the three months periods ended March 31, 2017 and 2016  
(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent									Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings			Other equity			Total		
			Legal reserve	Special reserve	Unappropriated retained earning	Exchange differences on translation of foreign operations	Unrealized gains from available-for-sale financial assets	Effective hedging instrument from cash flow hedge			
Balance as of January 1, 2016	\$ 5,430,289	\$ 4,624,208	\$ 3,010,522	\$ 1,290,820	\$ 8,038,464	\$ 902,905	\$ (34,646)	\$ 7,965	\$ 23,270,527	\$ 2,391,485	\$ 25,662,012
Acquisition or disposal of the interest of subsidiaries	-	-	-	-	(60,060)	-	-	-	(60,060)	(1,050)	(61,110)
Net income for the three months ended March 31, 2016	-	-	-	-	321,936	-	-	-	321,936	(39,131)	282,805
Other comprehensive income(loss) for the three months ended March 31, 2016	-	-	-	-	-	(315,112)	5,138	11,334	(298,640)	(24,065)	(322,705)
Total comprehensive income	-	-	-	-	321,936	(315,112)	5,138	11,334	23,296	(63,196)	(39,900)
Balance as of March 31, 2016	<u>\$ 5,430,289</u>	<u>\$ 4,624,208</u>	<u>\$ 3,010,522</u>	<u>\$ 1,290,820</u>	<u>\$ 8,300,340</u>	<u>\$ 587,793</u>	<u>\$ (29,508)</u>	<u>\$ 19,299</u>	<u>\$ 23,233,763</u>	<u>\$ 2,327,239</u>	<u>\$ 25,561,002</u>
Balance as of January 1, 2017	\$ 4,344,231	\$ 4,627,479	\$ 3,201,027	\$ 1,290,820	\$ 8,841,168	\$ (639,887)	\$ (35,113)	\$ 3,370	\$ 21,633,095	\$ 2,121,580	\$ 23,754,675
Acquisition or disposal of the interest of subsidiaries	-	(4,067)	-	-	-	-	-	-	(4,067)	-	(4,067)
Changes in subsidiaries' ownership	-	64,832	-	-	-	-	-	-	64,832	(67,387)	(2,555)
Net income for the three months ended March 31, 2017	-	-	-	-	277,049	-	-	-	277,049	(38,656)	238,393
Other comprehensive income(loss) for the three months ended March 31, 2017	-	-	-	-	-	(1,144,181)	13,702	(5,271)	(1,135,750)	(80,178)	(1,215,928)
Total comprehensive income	-	-	-	-	277,049	(1,144,181)	13,702	(5,271)	(858,701)	(118,834)	(977,535)
Balance as of March 31, 2017	<u>\$ 4,344,231</u>	<u>\$ 4,688,244</u>	<u>\$ 3,201,027</u>	<u>\$ 1,290,820</u>	<u>\$ 9,118,217</u>	<u>\$ (1,784,068)</u>	<u>\$ (21,411)</u>	<u>\$ (1,901)</u>	<u>\$ 20,835,159</u>	<u>\$ 1,935,359</u>	<u>\$ 22,770,518</u>

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

English Translation of Financial Statements Originally Issued in Chinese  
CORETRONIC CORPORATION AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the three months periods ended March 31, 2017 and 2016  
(Amounts in thousands of New Taiwan Dollars)

Description	For the three months periods ended March 31,		Description	For the three months periods ended March 31,	
	2017	2016		2017	2016
Cash flows from operating activities :			Cash flows from investing activities :		
Net income before tax	\$ 344,226	\$ 414,351	Acquisition of investments accounted for using the equity method	-	(29,925)
Adjustments for:			Acquisition of subsidiaries	-	(61,110)
The profit or loss items which did not affect cash flows:			Acquisition of property, plant and equipment	(71,670)	(225,369)
(Reversal) Allowance of doubtful accounts	(17,783)	32,682	Proceeds from disposal of property, plant and equipment	17,427	90,255
Depreciation (including investment property)	284,653	292,333	Acquisition of intangible assets	(1,414)	(8,451)
Amortization (including other assets-others)	14,080	14,958	Decrease in other noncurrent assets	15,189	9,772
Interest expenses	36,795	27,618	Net cash used in investing activities	(40,468)	(224,828)
Interest income	(67,459)	(62,122)			
Transfer of property, plant and equipment to expense	147	116	Cash flows from financing activities :		
Loss on disposal of property, plant and equipment	3,961	3,692	Increase (decrease) in short-term borrowings	688,263	(2,721,481)
Transfer of intangible assets to expense	267	346	Decrease in long-term borrowings	-	(328,250)
Share of loss of associates and joint ventures accounted for using equity method	1,282	-	Increase (decrease) in other noncurrent liabilities	942	(5,353)
Net loss (gain) of financial assets and liabilities at fair value through profit or loss	218,978	(93,436)	Net cash provided by (used in) financing activities	689,205	(3,055,084)
Changes in operating assets and liabilities:					
Notes receivables	11,112	62,529	Effect of exchange rate changes on cash and cash equivalents	(986,882)	(261,884)
Accounts receivables	4,996,099	5,572,903			
Accounts receivables-related parties	(1,011)	3,025	Net increase (decrease) in cash and cash equivalents	1,275,150	(989,105)
Other receivables	22,191	41,305	Cash and cash equivalents at the beginning of the period	15,302,189	15,444,750
Inventories	1,727	(125,337)	Cash and cash equivalents at the end of the period	<u>\$ 16,577,339</u>	<u>\$ 14,455,645</u>
Prepayments	(30,594)	58,451			
Other current assets	22,828	4,619			
Notes payables	7,978	7,630			
Accounts payables	(3,043,000)	(2,765,107)			
Accounts payables-related parties	(1,988)	5,920			
Other payables	(827,025)	(768,428)			
Provisions-current	(9,160)	(4,080)			
Other current liabilities	(138,603)	128,704			
Net defined benefit liabilities	(2,337)	(2,535)			
Cash generated from operating activities	<u>1,827,364</u>	<u>2,850,137</u>			
Interest received	60,027	53,258			
Interest paid	(36,371)	(30,384)			
Income tax paid	(237,725)	(320,320)			
Net cash provided by operating activities	<u>1,613,295</u>	<u>2,552,691</u>			

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

CORETRONIC CORPORATION AND SUBSIDIARIES  
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
MARCH 31, 2017 AND 2016

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. HISTORY AND ORGANIZATION

Coretronic Corporation (“CORE”) was incorporated at Hsinchu Science-based Industrial Park on June 30, 1992 and set up branch offices at Hsinchu Industrial Park and Tainan Science-based Industrial Park on October 17, 1997 and November 16, 2004, respectively. CORE mainly engages in the R&D, production, manufacturing and marketing of projectors, backlight, and FPD-related products. CORE’s ordinary shares were publicly listed on the Taipei Exchange on January 20, 1999.

2. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of CORE and its subsidiaries (“the Group”) were authorized for issue in accordance with the resolution of the Board of Directors’ meeting on April 26, 2017.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations developed by the International Financial Reporting Interpretation Committee (IFRIC) and Interpretations of IASs (SIC) (collectively, “TIFRS”) issued, revised or amended, by International Accounting Standards Board (“IASB”) but not yet recognized by Financial Supervisory Commission (“FSC”) at the date of issuance of the Group’s financial statements are listed below:

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Dates
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 9	Financial Instruments	January 1, 2018
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	—
IFRS 16	Leases (Clarification)	January 1, 2019
IAS 12	Recognition of Deferred Tax Assets for Unrealized Losses	January 1, 2017



CORETRONIC CORPORATION AND SUBSIDIARIES  
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Dates
IAS 7	Disclosure Initiative	January 1, 2017
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 2	Shared-Based Payment (Amendment)	January 1, 2018
IFRS 4	Insurance Contracts (Amendment)	January 1, 2018
IAS 40	Investment Property (Amendment)	January 1, 2018
Improvements to International Financial Reporting Standards (2014-2016 cycle) :		
IFRS 1	First-time Adoption of International Financial Reporting Standards	January 1, 2018
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2017
IAS 28	Investments in Associates and Joint Ventures	January 1, 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	January 1, 2018

The potential effects of adopting the standards or interpretations issued by IASB but not yet endorsed by FSC on the Group's financial statements in future periods are summarized as below:

IFRS 15 “Revenue from Contracts with Customers”

The core principle of the new Standard is for companies to recognize revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which the group expects to be entitled in exchange for those goods or services. An entity recognizes revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract;
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The new Standard includes a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Standard is effective for annual periods beginning on or after January 1, 2018.

CORETRONIC CORPORATION AND SUBSIDIARIES  
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

IFRS 9 “Financial Instruments”

The IASB has issued the final version of IFRS 9, which combines classification and measurement, the expected credit loss impairment model and hedge accounting. The standard will replace IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9 Financial Instruments (which include standards issued on classification and measurement of financial assets and liabilities and hedge accounting).

Classification and measurement: Financial assets are measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity’s business model for managing the financial assets and the financial asset’s contractual cash flow characteristics. Financial liabilities are measured at amortized cost or fair value through profit or loss. Furthermore there is requirement that ‘own credit risk’ adjustments are not recognized in profit or loss.

Impairment: Expected credit loss model is used to evaluate impairment. Entities are required to recognize either 12-month or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition.

Hedge accounting: Hedge accounting is more closely aligned with risk management activities and hedge effectiveness is measured based on the hedge ratio.

The new standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

CORETRONIC CORPORATION AND SUBSIDIARIES  
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)  
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

IFRS 10 was also amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

The effective date of the amendments has been postponed indefinitely, but early adoption is allowed.

IFRS 16 “Leases”

The new standard requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions). Lessor accounting still uses the dual classification approach: operating lease and finance lease. The Standard is effective for annual periods beginning on or after January 1, 2019.

IAS 12 “Income Taxes” — Recognition of Deferred Tax Assets for Unrealized Losses

The amendments clarify how to account for deferred tax assets for unrealized losses. The amendments are effective for annual periods beginning on or after January 1, 2017.

Disclosure Initiative — Amendment to IAS 7 “Statement of Cash Flows”

The amendments relate to changes in liabilities arising from financing activities and to require a reconciliation of the carrying amount of liabilities at the beginning and end of the period. The amendments are effective for annual periods beginning on or after January 1, 2017.

IFRS 15 “Revenue from Contracts with Customers” — Clarifications to IFRS 15

The amendments clarify how to identify a performance obligation in a contract, determine whether an entity is a principal or an agent, and determine whether the revenue from granting a license should be recognized at a point in time or over time. The amendments are effective for annual periods beginning on or after January 1, 2018.

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Transfers of Investment Property — Amendments to IAS 40

The amendments relate to the transfers of investment property. The amendments clarify that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use, the entity should transfer property into and out of investment property accordingly. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are effective for annual periods beginning on or after January 1, 2018.

IFRIC 22 “Foreign Currency Transactions and Advance Consideration”

The interpretation clarifies that when applying paragraphs 21 and 22 of IAS 21 The Effects of Changes in Foreign Exchange Rates, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation is effective for annual periods beginning on or after January 1, 2018.

The abovementioned standards and interpretations issued by IASB have not yet been recognized by FSC at the date of issuance of the Group's financial statements, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed apart from the above items, it is not practicable to estimate the impact of the remaining standards and interpretations on the Group at this point in time. All other standards and interpretations have no material impact on the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The consolidated financial statements of the Group for the three months ended March 31, 2017 and 2016 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 “Interim Financial Reporting” as endorsed and became effective by FSC. The Group applied for standards, interpretations and amendments issued, revised or amended which are recognized by FSC and became effective for annual periods beginning on or after January 1, 2017. The application has no material effect on the Group.

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(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

(3) General Description of Reporting Entity

Principles of consolidation

Control is achieved when CORE is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, CORE controls an investee if and only if CORE has:

- A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- B. exposure, or rights, to variable returns from its involvement with the investee; and
- C. the ability to use its power over the investee to affect its returns.

When CORE has less than a majority of the voting or similar rights of an investee, CORE considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- A. the contractual arrangement with the other vote holders of the investee;
- B. rights arising from other contractual arrangements;
- C. CORE’s voting rights and potential voting rights.

CORE re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

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A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If loses control of a subsidiary, it:

- A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- B. derecognizes the carrying amount of any non-controlling interest;
- C. recognizes the fair value of the consideration received;
- D. recognizes the fair value of any investment retained;
- E. recognizes any surplus or deficit in profit or loss; and
- F. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are as follows:

Subsidiary	Relationship	Business nature	Percentage of Ownership		
			March 31, 2017	December 31, 2016	March 31, 2016
Tecpoint Limited ("Tecpoint") and its subsidiaries	Subsidiary	Tecpoint is a holding company and invests in Mainland China. Tecpoint's joint ventures are the production, manufacturing, marketing and R&D of acrylic plate, light guide plate and backlight module. The joint ventures also provide the after sales services.	100.00%	100.00%	100.00%
Visicorp Limited ("Visicorp") and its subsidiaries	Subsidiary	Visicorp is a holding company and invests in Mainland China. Visicorp's joint ventures are the R&D, production and marketing of backlight module and its components. The joint ventures also provide after sales services.	100.00%	100.00%	100.00%

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Subsidiary	Relationship	Business nature	Percentage of Ownership		
			March 31, 2017	December 31, 2016	March 31, 2016
Coretronic (BVI) Investment Corp. (“Coretronic BVI”) and its subsidiaries	Subsidiary	BVI is a holding company and invests in Mainland China. BVI’s joint ventures are the R&D, production, manufacturing and marketing of digital projector, LCD monitor and its components. The joint ventures also provide after sales services.	100.00%	100.00%	100.00%
Sinolink Global Limited (“Sinolink”) and its subsidiaries	Subsidiary	Sinolink is a holding company and invests in Mainland China. Sinolink’s joint ventures are the design, R&D, production and marketing of projectors. The joint ventures also provide the after sales services for self-produced and non-self-produced product.	100.00%	100.00%	100.00%
Young Green Energy Co. (“YGE”) and its subsidiaries	Subsidiary	YGE is engaged in the production, wholesale and retail trade of electronic components, battery, computer, and its peripheral devices, and electronic material. YGE’s joint ventures are the R&D, production and marketing of transformers, inductors and power supply related products.	99.91%	99.91%	99.91%
Young Optics Inc. (“TYO”) and its subsidiaries	Subsidiary	TYO is engaged in the production, marketing and R&D of electronic components and optics. TYO’s joint ventures are the production and after sales services of electronic components, optical modules and components.	46.52%	46.52%	46.52%

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Subsidiary	Relationship	Business nature	Percentage of Ownership		
			March 31, 2017	December 31, 2016	March 31, 2016
Young Lighting Technology Inc. (“YLT”) and its subsidiaries	Subsidiary	YLT is engaged in the design, production and marketing of general lighting application, electronic components and optical devices. YLT’s joint ventures are the R&D, production, manufacturing and marketing of backlight module, touch module, LCD module, other optical components and lighting application. YLT’s joint ventures also provide after sales services.	100.00%	100.00%	100.00%
Optoma Corporation (“Optoma”) and its subsidiaries	Subsidiary	Optoma is engaged in the production and marketing of data storage and processing equipment, electronic components, optical devices, wireless communications equipment, electronic appliances. Optoma’s joint ventures are engaged in the marketing and after sales services of products of the brand Optoma in America, Canada, Europe, Hong Kong, and Mainland China.	89.15%	83.40%	83.40%
Chung Tsen Investment Corp. (“CGT”) and its subsidiaries	Subsidiary	CGT is an investment company for strategic purposes.	100.00%	100.00%	100.00%



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Subsidiary	Relationship	Business nature	Percentage of Ownership		
			March 31, 2017	December 31, 2016	March 31, 2016
Coretronic System Engineering Corporation (“CSEC”) and its subsidiaries	Subsidiary	CSEC is engaged in the production and integration of multimedia products. CSEC’s joint ventures are contractor in intelligent building engineering and provide services to customers from various domains.	100.00%	100.00%	100.00%
Coretronic Venture Capital Co. (“CVC”)	Subsidiary	The investment activities of company’s business expansion.	100.00%	100.00%	100.00%

- A. Refer to Note 13 for intercompany transactions between consolidated entities. Subsidiaries are fully consolidated in accordance with the Regulations.
- B. The significant changes of consolidated entities described as follows:
- (a) Aptek Optical Corp. (“Aptek”), one of TYO’s subsidiary, raised NT\$50,000 thousand through capital increase. Aptek issued new shares, and 15% of such new shares were retained for employees of Aptek. TYO took part in 85% of the capital increase, and the ownership percentage decreased from 100% to 92.5% accordingly.
  - (b) TYO acquired 99% shares of Mejiro Genossen Inc. in cash amounted to JPY\$96,850,908 in July 2016, and it was included in the consolidated entities since the acquisition date.
  - (c) Optoma cancelled 4,031 thousand shares of treasury stock on February 2017. As such, CORE, CGT and Tseng Ming Investment increased ownership percentage of Optoma to 73.69%, 7.01% and 8.45%, respectively. The total ownership percentage of Optoma would reach to 89.15%.

CORE acquired shares of Optoma held by CGT and Tseng Ming Investment on March 2017. The ownership percentage of Optoma held by CORE increased to 89.15%. The total ownership percentage of Optoma was 89.15% as at March 31, 2017.

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The financial statements of certain consolidated subsidiaries listed above had not been reviewed by independent accountants, including total assets amounted to NT\$14,187,833 thousand and NT\$13,697,674 thousand, total liabilities amounted to NT\$852,568 thousand and NT\$1,198,047 thousand as of March 31, 2017 and 2016, and the related total comprehensive income amounted to NT\$(448,399) thousand and NT\$(40,807) thousand for the three months ended March 31, 2017 and 2016, respectively.

- (4) Except for the accounting policies listed below, the same accounting policies have been followed in this consolidated financial statements as were applied in the preparation of CORE's consolidated financial statements for the year ended December 31, 2016. For the summary of other significant accounting policies, please refer to the consolidated financial statements for the year ended December 31, 2016.

- A. Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.
- B. Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The same significant accounting judgments, estimates and assumptions have been followed in this consolidated financial statements as were applied in the preparation of CORE's consolidated financial statements for the year ended December 31, 2016. For the summary of significant accounting judgments, estimates and assumptions, please refer to the consolidated financial statements for the year ended December 31, 2016.

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6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	March 31, 2017	December 31, 2016	March 31, 2016
Cash on hand, savings and checking accounts	\$4,031,585	\$4,233,486	\$4,677,565
Time deposits	12,545,754	11,068,703	9,778,080
Total	<u>\$16,577,339</u>	<u>\$15,302,189</u>	<u>\$14,455,645</u>

(2) Financial Assets at Fair Value through Profit or Loss

	March 31, 2017	December 31, 2016	March 31, 2016
Held for trading			
Derivative not designated as hedging instruments			
Forward foreign exchange contracts	\$35,137	\$162,609	\$215,298
Forward cross currency contracts	-	8,446	-
Subtotal	<u>\$35,137</u>	<u>\$171,055</u>	<u>\$215,298</u>
Current	\$35,137	\$171,055	\$215,298
Non-current	-	-	-
Total	<u>\$35,137</u>	<u>\$171,055</u>	<u>\$215,298</u>

Financial assets held for trading were not pledged.

(3) Available-For-Sale Financial Assets, Non-Current

	March 31, 2017	December 31, 2016	March 31, 2016
Stocks—Celxpert Energy Corporation	<u>\$68,664</u>	<u>\$54,962</u>	<u>\$60,567</u>

Available-for-sale financial assets were not pledged.

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(4) Financial Assets Measured at Cost, Non-Current

	March 31, 2017	December 31, 2016	March 31, 2016
Available-For-Sale Financial Assets			
SHIEH YONG INVESTMENT Co., LTD.	\$210,787	\$210,787	\$210,787
Unitech Capital, Inc.	58,036	61,710	61,587
Excel Global Limited (“Excel”)	26,389	26,389	35,598
Nightingale Intelligent System, Inc.	17,966	17,966	-
View Sonic Corp.	7,229	7,687	7,671
GLO AB	2,720	2,720	2,720
Maxiam Ventures I Inc.	221	221	221
LIULIGONGFANG Corp. (“LIULI”)	-	-	9,400
Total	<u>\$323,348</u>	<u>\$327,480</u>	<u>\$327,984</u>

For continued worsening in operating condition, Optoma assessed that investment in Excel and LIULI were impaired and recognized an impairment loss of NT\$18,609 thousand in 2016.

The above investments in the equity instruments of unlisted entities are measured at cost as the fair value of these investments are not reliably measurable due to the fact that the variability in the range of reasonable fair value measurements is significant for that investment and that the probabilities of the various estimates within the range cannot be reasonably assessed and used when measuring fair value.

Financial assets measured at cost were not pledged.

(5) Trade Receivables and Trade Receivables-Related Parties

	March 31, 2017	December 31, 2016	March 31, 2016
Trade receivable	\$12,583,028	\$17,579,127	\$14,210,410
Less: allowance for doubtful accounts	(25,734)	(44,377)	(69,236)
Subtotal	<u>12,557,294</u>	<u>17,534,750</u>	<u>14,141,174</u>
Trade receivables for related parties	<u>1,240</u>	<u>229</u>	<u>3,176</u>
Total	<u>\$12,558,534</u>	<u>\$17,534,979</u>	<u>\$14,144,350</u>

Trade receivables were not pledged.

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Trade receivables are generally on 30-150 day terms. The movements in the provision for impairment of trade receivables and trade receivables-related parties are as follow (please refer to Note 12 for credit risk disclosure):

	<u>Collectively impaired</u>
As of January 1, 2017	\$44,377
Charge for the current period	(17,783)
Write-off for uncollectable accounts	-
Exchange differences	(860)
As of March 31, 2017	<u>\$25,734</u>
As of January 1, 2016	\$37,091
Charge for the current period	32,682
Write-off for uncollectable accounts	-
Exchange differences	(537)
As of March 31, 2016	<u>\$69,236</u>

There is no impairment loss as a result of individual valuation of trade receivables for the three months ended March 31, 2017 and 2016.

Aging analysis of trade receivables and trade receivables-related parties that are past due as at the end of the reporting period but not impaired is as follows:

As of	Neither past due nor impaired	<u>Past due but not impaired</u>					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
March 31, 2017	\$11,778,427	\$712,325	\$51,670	\$6,816	\$4,798	\$4,498	\$12,558,534
December 31, 2016	\$15,616,365	\$1,753,693	\$141,710	\$15,779	\$3,453	\$3,979	\$17,534,979
March 31, 2016	\$12,508,477	\$1,468,623	\$144,507	\$15,990	\$2,174	\$4,579	\$14,144,350

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The Group entered into factoring contracts without recourse with a number of domestic banks. To wit, banks pay to the Group 100% of the accounts receivable factored as consideration. According to the arrangement, if the client of the trade receivables factoring delays the payment, the Group shall pay interests to the bank. Upon assignment of the factoring to the bank, the bank undertakes the associated credit risk. However, the Group still issues a promissory note to the bank. If the trade receivables cannot be collected as a result of trade disputes due to factors attributable to the Group, the Group should pay the promissory note in compensation for the bank. Trade receivables derecognized were as follows:

As of March			
Acquisition object	31, 2017	Interest rate range	Credit line (US \$'000)
CTBC Bank	\$-	Floating rate	\$80,000
Taishin Bank	-	Fixed rate	\$80,000
Total	<u>\$-</u>		

As of December			
Acquisition object	31, 2016	Interest rate range	Credit line (US \$'000)
CTBC Bank	\$-	Floating rate	\$80,000
Taishin Bank	-	Fixed rate	\$80,000
Total	<u>\$-</u>		

As of March			
Acquisition object	31, 2016	Interest rate range	Credit line (US \$'000)
CTBC Bank	\$1,201,975	Floating rate	\$80,000
Taishin Bank	941,733	Fixed rate	\$80,000
Total	<u>\$2,143,708</u>		

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(6) Inventories

	March 31, 2017	December 31, 2016	March 31, 2016
Raw materials and Supplies	\$3,696,310	\$4,024,837	\$3,421,476
Work in process	944,030	508,276	720,463
Finished goods	2,556,188	2,642,643	3,069,356
Net	<u>\$7,196,528</u>	<u>\$7,175,756</u>	<u>\$7,211,295</u>

The cost of inventories recognized in expenses amounted to NT\$10,268,456 thousand and NT\$11,832,069 thousand for the three months ended March 31, 2017 and 2016, including the write-down of inventories and obsolescence loss of NT\$39,423 thousand and NT\$53,128 thousand, respectively.

The allowance write-down of inventories amount to NT\$458,457 thousand, NT\$486,063 thousand, and NT\$485,300 thousand as of March 31, 2017, December 31, 2016, and March 31, 2016, respectively.

No inventories were pledged.

(7) Investments Accounted for Using Equity Method

The following table lists the investments accounted for using the equity method of the Group:

Investees	As of March 31, 2017	
	Carrying Amount	Percentage of ownership (%)
Investments in associates:		
Genejet Biotech Co., Ltd. (“Genejet”)	<u>\$29,364</u>	19.51%
Investees	As of December 31, 2016	
	Carrying Amount	Percentage of ownership (%)
Investments in associates:		
Genejet Biotech Co., Ltd. (“Genejet”)	<u>\$30,646</u>	19.51%

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Investees	As of March 31, 2016	
	Carrying Amount	Percentage of ownership (%)
Investments in associates:		
Genejet Biotech Co., Ltd. (“Genejet”)	<u>\$29,925</u>	22.27%

The Group acquired 22.27% of Genejet in March 2016. The investment price was paid in cash in the amount of NT\$29,925 thousand. The Group did not participate in the capital increase in September 2016, and the ownership percentage decreased to 19.51% accordingly. The Group still recognized the investment accounted for using the equity method. The investment had no significant impact on the Group. The share of loss of associates and joint ventures accounted for using equity method of the Group’s investment in Genejet was NT\$1,282 thousand and NT\$0 thousand for the three months ended March 31, 2017 and 2016, the Group recognized share of loss of these associates had not been reviewed by independent accountants.

The associates had no contingent liabilities or capital commitments as of March 31, 2017, December 31, 2016, and March 31, 2016. No invenments accounted for using the equity method held by the Group was pledged to others.



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(8) Property, Plant and Equipment

			Machinery and equipment	Office fixtures	Transportation equipment	Lease Assets	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
	Land	Buildings								
Cost:										
As of January 1, 2017	\$23,900	\$6,719,517	\$5,242,432	\$550,256	\$78,804	\$2,008	\$854,894	\$2,343,758	\$198,135	\$16,013,704
Additions	-	14,188	9,457	1,792	-	-	1,062	17,112	28,060	71,671
Disposals	-	(42,265)	(95,528)	(12,151)	(4,459)	-	(3,588)	(138,633)	-	(296,624)
Transfers	-	5,682	143,150	160	-	-	2,118	12,001	(170,817)	(7,706)
Exchange differences	-	(166,464)	(232,810)	(25,213)	(3,973)	(120)	(43,637)	(110,696)	(4,244)	(587,157)
As of March 31, 2017	<u>\$23,900</u>	<u>\$6,530,658</u>	<u>\$5,066,701</u>	<u>\$514,844</u>	<u>\$70,372</u>	<u>\$1,888</u>	<u>\$810,849</u>	<u>\$2,123,542</u>	<u>\$51,134</u>	<u>\$15,193,888</u>
As of January 1, 2016	\$23,900	\$6,893,351	\$6,490,440	\$682,454	\$95,190	\$2,044	\$999,614	\$2,378,411	\$239,780	\$17,805,184
Additions	-	26,764	20,078	740	427	-	7,971	108,512	60,878	225,370
Disposals	-	(4,921)	(156,508)	(40,029)	(2,879)	-	(57,055)	(42,448)	-	(303,840)
Transfers	-	2,033	(39,177)	172	-	-	-	93,469	(110,054)	(53,557)
Exchange differences	-	(46,961)	(76,357)	(8,733)	(1,323)	(40)	(13,160)	(32,836)	(902)	(180,312)
As of March 31, 2016	<u>\$23,900</u>	<u>\$6,870,266</u>	<u>\$6,238,476</u>	<u>\$634,604</u>	<u>\$91,415</u>	<u>\$2,004</u>	<u>\$937,370</u>	<u>\$2,505,108</u>	<u>\$189,702</u>	<u>\$17,492,845</u>
Depreciation and Impairment:										
As of January 1, 2017	\$-	\$2,390,319	\$3,115,855	\$435,856	\$61,357	\$2,008	\$705,262	\$1,759,275	\$-	\$8,469,932
Depreciation	-	71,744	119,988	10,160	1,427	-	21,303	58,018	-	282,640
Disposals	-	(42,233)	(74,875)	(11,775)	(3,764)	-	(3,588)	(139,001)	-	(275,236)
Transfers	-	-	(949)	-	-	-	-	(6,610)	-	(7,559)
Exchange differences	-	(64,889)	(138,796)	(20,923)	(3,272)	(120)	(37,665)	(84,993)	-	(350,658)
As of March 31, 2017	<u>\$-</u>	<u>\$2,354,941</u>	<u>\$3,021,223</u>	<u>\$413,318</u>	<u>\$55,748</u>	<u>\$1,888</u>	<u>\$685,312</u>	<u>\$1,586,689</u>	<u>\$-</u>	<u>\$8,119,119</u>
As of January 1, 2016	\$-	\$2,195,736	\$3,526,151	\$522,638	\$71,425	\$2,044	\$761,004	\$1,838,107	\$-	\$8,917,105
Depreciation	-	74,889	118,491	10,839	1,636	-	28,180	56,285	-	290,320
Disposals	-	(4,919)	(90,517)	(26,233)	(2,599)	-	(49,561)	(36,064)	-	(209,893)
Transfers	-	-	(51,641)	-	-	-	-	(1,800)	-	(53,441)
Exchange differences	-	(16,761)	(43,637)	(7,195)	(902)	(40)	(11,043)	(23,707)	-	(103,285)
As of March 31, 2016	<u>\$-</u>	<u>\$2,248,945</u>	<u>\$3,458,847</u>	<u>\$500,049</u>	<u>\$69,560</u>	<u>\$2,004</u>	<u>\$728,580</u>	<u>\$1,832,821</u>	<u>\$-</u>	<u>\$8,840,806</u>
Net carrying amounts as of:										
As of March 31, 2017	<u>\$23,900</u>	<u>\$4,175,717</u>	<u>\$2,045,478</u>	<u>\$101,526</u>	<u>\$14,624</u>	<u>\$-</u>	<u>\$125,537</u>	<u>\$536,853</u>	<u>\$51,134</u>	<u>\$7,074,769</u>
As of December 31, 2016	<u>\$23,900</u>	<u>\$4,329,198</u>	<u>\$2,126,577</u>	<u>\$114,400</u>	<u>\$17,447</u>	<u>\$-</u>	<u>\$149,632</u>	<u>\$584,483</u>	<u>\$198,135</u>	<u>\$7,543,772</u>
As of March 31, 2016	<u>\$23,900</u>	<u>\$4,621,321</u>	<u>\$2,779,629</u>	<u>\$134,555</u>	<u>\$21,855</u>	<u>\$-</u>	<u>\$208,790</u>	<u>\$672,287</u>	<u>\$189,702</u>	<u>\$8,652,039</u>

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The Group evaluated the economic benefit for property, plant and equipment. The Group did not identify any impairment loss for the three months ended March 31, 2017 and 2016.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(9) Investment Property

	<u>Buildings</u>
Cost:	
As of January 1, 2017	\$244,538
Additions from acquisitions	-
Additions from subsequent expenditure	-
Disposals	-
As of March 31, 2017	<u>\$244,538</u>
As of January 1, 2016	\$244,538
Additions from acquisitions	-
Additions from subsequent expenditure	-
Disposals	-
As of March 31, 2016	<u>\$244,538</u>
Depreciation and Impairment:	
As of January 1, 2017	\$51,974
Depreciation	2,013
Transfers — Reclassifications	-
As of March 31, 2017	<u>\$53,987</u>
As of January 1, 2016	\$43,922
Depreciation	2,013
Transfers — Reclassifications	-
As of March 31, 2016	<u>\$45,935</u>

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	<u>Buildings</u>	
Net carry amount as of:		
As of March 31, 2017	<u>\$190,551</u>	
As of December 31, 2016	<u>\$192,564</u>	
As of March 31, 2016	<u>\$198,603</u>	
	<u>Three months ended March 31</u>	
	<u>2017</u>	<u>2016</u>
Rental income from investment property	\$517	\$517
Less:		
Direct operating expenses from investment property generating rental income	<u>(2,013)</u>	<u>(2,013)</u>
Total	<u>\$ (1,496)</u>	<u>\$ (1,496)</u>

No investment property was pledged.

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized with Level 3. The fair value of investment properties has been determined based on valuations performed by an independent appraiser. The valuation method used is discount cash-flow analysis method, and the inputs used are discount rates and growth rates:

	<u>March 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>	<u>March 31,</u> <u>2016</u>
Fair value of the investment property	<u>\$226,300</u>	<u>\$226,300</u>	<u>\$240,200</u>
Discount rates	<u>4.095%</u>	<u>4.095%</u>	<u>4.305%</u>
Growth rates	<u>0.5%</u>	<u>0.5%</u>	<u>0.5%</u>

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(10) Intangible Assets

	<u>Trade marks</u>	<u>Patents</u>	<u>Software</u>	<u>IPs</u>	<u>Goodwill</u>	<u>other</u>	<u>Total</u>
Cost:							
As of January 1, 2017	\$104,054	\$16,045	\$129,449	\$59,786	\$5,940	\$49,681	\$364,955
Additions	-	-	338	-	-	1,076	1,414
Disposals	-	-	(470)	-	-	-	(470)
Transfers	-	-	-	-	-	(267)	(267)
Exchange differences	(192)	(9)	(1,198)	-	-	(427)	(1,826)
As of March 31, 2017	<u>\$103,862</u>	<u>\$16,036</u>	<u>\$128,119</u>	<u>\$59,786</u>	<u>\$5,940</u>	<u>\$50,063</u>	<u>\$363,806</u>
As of January 1, 2016	\$104,112	\$15,500	\$148,435	\$46,570	\$-	\$39,117	\$353,734
Additions	-	-	1,523	-	-	6,928	8,451
Disposals	-	-	(7,216)	-	-	-	(7,216)
Transfers	-	-	-	-	-	(346)	(346)
Exchange differences	(64)	-	(659)	-	-	(98)	(821)
As of March 31, 2016	<u>\$104,048</u>	<u>\$15,500</u>	<u>\$142,083</u>	<u>\$46,570</u>	<u>\$-</u>	<u>\$45,601</u>	<u>\$353,802</u>
Amortization and Impairment:							
As of January 1, 2017	\$84,994	\$6,750	\$99,881	\$8,242	\$-	\$44,314	\$244,181
Amortization	942	283	5,321	4,736	-	1,392	12,674
Disposals	-	-	(470)	-	-	-	(470)
Exchange differences	(30)	(1)	(984)	-	-	(223)	(1,238)
As of March 31, 2017	<u>\$85,906</u>	<u>\$7,032</u>	<u>\$103,748</u>	<u>\$12,978</u>	<u>\$-</u>	<u>\$45,483</u>	<u>\$255,147</u>
As of January 1, 2016	\$81,225	\$5,623	\$101,551	\$-	\$-	\$33,909	\$222,308
Amortization	945	272	7,529	-	-	4,288	13,034
Disposals	-	-	(7,216)	-	-	-	(7,216)
Exchange differences	(6)	-	(392)	-	-	(16)	(414)
As of March 31, 2016	<u>\$82,164</u>	<u>\$5,895</u>	<u>\$101,472</u>	<u>\$-</u>	<u>\$-</u>	<u>\$38,181</u>	<u>\$227,712</u>
Net carrying amount as of:							
As of March 31, 2017	<u>\$17,956</u>	<u>\$9,004</u>	<u>\$24,371</u>	<u>\$46,808</u>	<u>\$5,940</u>	<u>\$4,580</u>	<u>\$108,659</u>
As of December 31, 2016	<u>\$19,060</u>	<u>\$9,295</u>	<u>\$29,568</u>	<u>\$51,544</u>	<u>\$5,940</u>	<u>\$5,367</u>	<u>\$120,774</u>
As of March 31, 2016	<u>\$21,884</u>	<u>\$9,605</u>	<u>\$40,611</u>	<u>\$46,570</u>	<u>\$-</u>	<u>\$7,420</u>	<u>\$126,090</u>

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Amortization expense of intangible assets under the statement of comprehensive income:

	Three months ended March 31	
	2017	2016
Operating Cost	\$1,423	\$4,449
Selling expenses	1,659	1,787
Administrative expense	5,264	2,451
Research and development expenses	4,328	4,347
Total	<u>\$12,674</u>	<u>\$13,034</u>

(11) Short-Term Borrowings

	March 31, 2017	December 31, 2016	March 31, 2016
Unsecured bank loans	<u>\$7,310,849</u>	<u>\$6,622,586</u>	<u>\$2,586,109</u>
Interest rates (%)	<u>0.93%~2.02%</u>	<u>0.72%~1.92%</u>	<u>0.79%~1.05%</u>

The Group's unused short-term lines of credits amounted to NT\$37,001,221 thousand, NT\$39,472,895 thousand, and NT\$45,298,176 thousand as of March 31, 2017, December 31, 2016, and March 31, 2016, respectively.

(12) Financial Liabilities at Fair Value through Profit or Loss

	March 31, 2017	December 31, 2016	March 31, 2016
Derivatives not designated as hedging Instruments			
Forward exchange contracts	\$147,708	\$79,603	\$106,957
Forward cross currency contracts	<u>14,955</u>	<u>-</u>	<u>12,638</u>
Total	<u>\$162,663</u>	<u>\$79,603</u>	<u>\$119,595</u>

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(13) Long-Term Borrowings

Details of long-term borrowings are as follow:

Lenders	As of March 31, 2017	Interest Rate (%)	Maturity date and terms of repayment
Unsecured Long-Term Borrowings from First bank	\$30,000	1.38%	Effective from October 27, 2017. Principle is repaid 16 quarterly.
Less: current portion	<u>(3,750)</u>		
Total	<u><u>\$26,250</u></u>		

Lenders	As of December 31, 2016	Interest Rate (%)	Maturity date and terms of repayment
Unsecured Long-Term Borrowings from First bank	\$30,000	1.38%	Effective from October 27, 2017. Principle is repaid 16 quarterly.
Less: current portion	<u>(1,875)</u>		
Total	<u><u>\$28,125</u></u>		

No long-term borrowings as at March 31, 2016.

The Group's unused long-term borrowings line of credits amounted to NT\$3,639,900 thousand, NT\$4,537,500 thousand, and NT\$4,025,550 thousand as of March 31, 2017, December 31, 2016, and March 31, 2016, respectively.

(14) Post-Employment Benefits

Defined contribution plan

Pension expenses under the defined contribution plan for the three months ended March 31, 2017 and 2016 were NT\$98,608 thousand and NT\$124,658 thousand, respectively.

Defined benefits plan

Pension expenses under the defined benefits plan for the three months ended March 31, 2017 and 2016 were NT\$1,374 thousand and NT\$1,339 thousand, respectively.

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(15) Provisions

	Maintenance warranties	Sales returns and allowances	Total
As of January 1, 2017	\$655,919	\$193,537	\$849,456
Arising during the period	92,262	60,185	152,447
Utilized	(67,225)	(72,034)	(139,259)
Unused provision reversed	(1,461)	(1,245)	(2,706)
Effect of exchange rate changes	(14,828)	(4,814)	(19,642)
As of March 31, 2017	<u>\$664,667</u>	<u>\$175,629</u>	<u>\$840,296</u>
Current— As of March 31, 2017	\$664,667	\$175,629	\$840,296
Non-Current— As of March 31, 2017	-	-	-
As of March 31, 2017	<u>\$664,667</u>	<u>\$175,629</u>	<u>\$840,296</u>
Current— As of March 31, 2016	\$704,334	\$159,218	\$863,552
Non-Current— As of March 31, 2016	-	-	-
As of March 31, 2016	<u>\$704,334</u>	<u>\$159,218</u>	<u>\$863,552</u>

Maintenance warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgment and other known factors.

Sales returns and allowances

A provision has been recognized for sales returns and allowances based on past experience and other known factors. The provision is recognized and the corresponding entry is made against operating revenue at the time of sales.

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(16) Equities

A. Common stock

CORE's authorized capital was NT\$10,000,000 thousand as of March 31, 2017, December 31, 2016 and March 31, 2016 (including NT\$ 700,000 thousand reserved for exercise of share warrant, preferred shares with warrants and corporate bonds with warrants), each at a par value of NT\$10. CORE's issued capital was NT\$4,344,231 thousand, NT\$4,344,231 thousand, and NT\$5,430,289 thousand, divided into 434,423 thousand shares, 434,423 thousand shares and 543,029 thousand shares as of March 31, 2017, December 31, 2016, and March 31, 2016, respectively. Each share has one voting right and a right to receive dividends.

In order to raise return on equity (ROE) and adjust the capital structure, the Board of Directors of the Group approved to reduce capital in the amount of NT\$1,086,058 thousand on March 25, 2016, and it was approved by the shareholders' meeting on June 15, 2016. The Group cancelled 108,606 thousand shares and reduction ratio is 20%. The proposal of capital reduction mentioned above was approved by the authority and the reduction record date was July 8, 2016. As of the report date, related registration processes have been completed.

B. Capital surplus

	March 31, 2017	December 31, 2016	March 31, 2016
Additional paid-in capital	\$4,437,847	\$4,437,847	\$4,437,847
Treasury Stock transactions	114,569	114,569	114,569
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	67,758	71,825	71,825
Changes in ownership interests in subsidiaries	68,070	3,238	(33)
Total	<u>\$4,688,244</u>	<u>\$4,627,479</u>	<u>\$4,624,208</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.



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C. Retained earnings and dividend policies:

CORE's shareholders' meeting held on June 15, 2016 passed the resolution of amending the Articles of Incorporation. According to the revised Articles of Incorporation, current year's earnings, shall be distributed in the following order:

- (a) Payment of all taxes and dues;
- (b) Offset accumulated losses in previous years, if any;
- (c) Legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds CORE's total capital stock;
- (d) Allocation or reverse of special reserve as required by law or government authorities;
- (e) The remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividend. The Board of Directors will prepare a distribution proposal and submit the same to the shareholders' meeting for review and approval by a resolution.

According to the Company Act and CORE's Article of Incorporation, the policy of the dividend distribution should reflect factors such as the capital and financial structures, operating, earnings, the industrial features and cycles and etc. The dividend could be paid in the form of shares or cash. In the consideration of the factors such as financial, sales and operating conditions, if the distribution of cash dividends is determined, the cash dividends should account for at least 10% of the total distribution based on the CORE's Article of Incorporation. If CORE incurs no earning or considers the factors such as financial conditions, sales and operations, the dividend could be paid by whole or partial legal reserve in accordance with the Company Act and CORE's Article of Incorporation.

According to Company Act, CORE needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to offset the deficit of CORE. If CORE incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

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Following the adoption of TIFRS, the FSC on 6 April 2012 issued Order No. Financial-Supervisory-Securities-Corporate-1010012865, which sets out the following provisions for compliance:

On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. Following a company's adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

The appropriations of earnings for 2016 were resolved by the Board of Directors' meeting on March 27, 2017, subject to the resolution of general shareholders' meeting which will be held in June 2017. The appropriations of earning for 2015 were resolved by the general shareholders' meeting on June 15, 2016. The details of the distribution are as follows:

	<u>Appropriation of earnings</u>		<u>Dividends per share (NT\$)</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Legal reserve	\$196,453	\$190,505		
Special reserve	671,630	-		
Common stock-cash dividend	868,846	814,543	\$2	\$1.5

In addition, the Board of Directors' meeting resolved to distribute the paid-in capital in excess of par-common stock by cash in the amount of NT\$651,635 thousand, NT\$1.5 per share.

Please refer to Note 6(19) for further details on employees' compensation and remuneration to directors and supervisors.

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D. Non-controlling interests:

	Three months ended March 31	
	2017	2016
Beginning balance	\$2,121,580	\$2,391,485
Profit (loss) attributable to non-controlling interests	(38,656)	(39,131)
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	(80,178)	(24,065)
Changes in subsidiaries' ownership	(67,387)	(1,050)
Ending balance	<u>\$1,935,359</u>	<u>\$2,327,239</u>

(17) Sales

	Three months ended March 31	
	2017	2016
Sale of goods	\$12,223,782	\$13,832,488
Less: Sales returns, discounts and allowances	(346,818)	(308,926)
Revenue arising from rendering of services	91,214	212,339
Other Operating revenues	257,395	160,256
Total	<u>\$12,225,573</u>	<u>\$13,896,157</u>

(18) Operating Lease

A. Operating lease commitments - the Group as lessee

The Group's land in the Science Park's plant is leased to the Science Industry Park Bureau, are as follows:

Location	Current annual rent	Lease period
Hsinchu Science Industrial Park	\$7,045	1997.07.01-2017.06.30
Jhunan Science Park	3,916	2001.07.01-2020.12.31
Tainan Science Industrial Park	8,458	2003.11.01-2022.12.31

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The future aggregate minimum rentals payable under non-cancelable operating leases are as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Not later than one year	\$69,261	\$80,536	\$113,678
Later than one year but not later than five years	99,423	132,089	197,829
Later than five years	162,424	155,763	177,041
Total	<u>\$331,108</u>	<u>\$368,388</u>	<u>\$488,548</u>

Operating lease expenses are as follow:

	Three months ended March 31 2017	2016
Minimum lease payments	<u>\$75,567</u>	<u>\$103,751</u>

B. Operating lease commitments - the Group as lessor

The Group has entered into a commercial property leases with remaining terms of no more than six years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Not later than one year	\$15,085	\$12,843	\$9,040
Later than one year but not later than five years	16,032	12,702	13,379
Later than five years	317	423	-
Total	<u>\$31,434</u>	<u>\$25,968</u>	<u>\$22,419</u>

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(19) Summary Statement of Employee Benefits, Depreciation and Amortization Expenses by Function for the Three Months Ended March 31, 2017 and 2016:

	Three months ended March 31					
	2017			2016		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$1,066,520	\$1,091,897	\$2,158,417	\$1,214,442	\$1,125,295	\$2,339,737
Salaries	907,527	939,454	1,846,981	996,829	961,334	1,958,163
Labor and health insurance	40,179	72,410	112,589	44,758	76,854	121,612
Pension	54,239	45,743	99,982	74,370	51,627	125,997
Other employee benefits expense	64,575	34,290	98,865	98,485	35,480	133,965
Depreciation	201,044	71,060	272,104	226,246	58,793	285,039
Amortization	2,419	11,661	14,080	4,750	10,208	14,958

A resolution was passed at a Board of Directors' meeting of CORE held on June 15, 2016 to amend the Articles of Incorporation of the Company. According to the resolution, 10% to 20% of profit of the current year is distributable as employees' compensation. However, the company's accumulated losses shall have been covered. CORE may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. The Articles of Incorporation are to be amended in the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

For the three months ended March 31, 2017 and 2016, employees' compensation was accrued at NT\$39,847 thousand and NT\$47,939 thousand, respectively. The aforementioned amounts were recognised in salary expenses. If the Board of Directors resolved to distribute employees' compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price one day earlier than the date of resolution. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, CORE will recognize the change as an adjustment to next year income.

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A resolution was approved at a Board of Directors' meeting held on February 15, 2016 to distribute NT\$305,945 thousand in cash as employees' compensation. No material differences exist between the aforementioned approved amounts and the amounts charged against earnings in 2016.

No material differences exist between the estimated amount and the actual distribution of the employee bonuses for the year ended December 31, 2015.

(20) Non-Operating Income and Expenses

A. Other income

	Three months ended March 31	
	2017	2016
Rental Income	\$9,100	\$9,997
Interest income	67,459	62,122
Other	44,224	48,425
Total	<u>\$120,783</u>	<u>\$120,544</u>

B. Other gains and losses

	Three months ended March 31	
	2017	2016
Losses on disposal of property, plant and equipment	\$(3,961)	\$(3,692)
Foreign exchange gains (losses), net	210,66	(93,617)
(Losses) gains on financial assets (liabilities) at fair value through profit or loss	(194,224)	225,500
Other loss	(10,778)	(3,924)
Total	<u>\$1,705</u>	<u>\$124,267</u>

C. Finance cost

	Three months ended March 31	
	2017	2016
Interest on borrowings from bank	<u>\$36,795</u>	<u>\$27,618</u>

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(21) Components of Other Comprehensive Income

For the three months ended March 31, 2017

	Arising during the period	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations	\$(1,224,359)	\$-	\$(1,224,359)
Unrealized gains from available-for-sale financial assets	13,702	-	13,702
Loss on effective portion of cash flow hedges	(4,841)	(430)	(5,271)
Total of other comprehensive income	<u>\$(1,215,498)</u>	<u>\$(430)</u>	<u>\$(1,215,928)</u>

For the three months ended March 31, 2016

	Arising during the period	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations	\$(339,177)	\$-	\$(339,177)
Unrealized gains from available-for-sale financial assets	5,138	-	5,138
Loss on effective portion of cash flow hedges	12,230	(896)	11,334
Total of other comprehensive income	<u>\$(321,809)</u>	<u>\$(896)</u>	<u>\$(322,705)</u>

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(22) Income Tax

The major components of income tax expense are as follows:

Income tax expense (income) recognized in profit or loss

	Three months ended March 31	
	2017	2016
Current income tax expense (income):		
Current income tax charge	\$160,869	\$117,380
Adjustment in respect of current income tax of prior periods	(4,475)	-
Deferred tax expense (income):		
Deferred tax (income) expense relating to origination and reversal of temporary differences	(58,727)	17,579
Deferred tax income relating to origination and reversal of tax loss and tax credit	(12,415)	(17,940)
Tax expense recognized in the period for previously unrecognized tax loss, tax credit or temporary difference of prior periods	12,411	17,940
Deferred tax expense (income) arising from write-down or reversal of write-down of deferred tax asset	8,170	(3,413)
Total income tax expense	<u>\$105,833</u>	<u>\$131,546</u>

Income tax relating to components of other comprehensive income

	Three months ended March 31	
	2017	2016
Deferred income tax income:		
Unrealized loss of cash flow hedges	<u>\$(430)</u>	<u>\$(896)</u>



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Imputation credit information

	March 31, 2017	December 31, 2016	March 31, 2016
Balances of imputation credit amounts	\$852,065	\$852,065	\$735,888

The expected creditable ratio for 2016 and the actual creditable ratio for 2015 were 10.71% and 10.19%, respectively.

Unappropriated retained earnings:

	March 31, 2017	December 31, 2016	March 31, 2016
Earnings generated in and before 1997	\$43,393	\$43,393	\$43,393
Earnings generated in and after 1998	9,074,824	8,797,775	8,256,947
Total	\$9,118,217	\$8,841,168	\$8,300,340

The assessment of income tax returns

As of March 31, 2017 the assessment of the income tax returns of the Group and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
CORE	Assessed and approved up to 2014
TYO	Assessed and approved up to 2014
Optoma	Assessed and approved up to 2014
CGT	Assessed and approved up to 2014
Tsen Ming Investment Corp.	Assessed and approved up to 2014
YGE	Assessed and approved up to 2015
YLT	Assessed and approved up to 2014
Aptek	Assessed and approved up to 2015
CSEC	Assessed and approved up to 2014
CVC	Assessed and approved up to 2015

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(23) Earnings Per Share

Basic earnings per share is calculated by dividing net income for the year attributable to ordinary equity holders of the parent company by the weighted-average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	Three months ended March 31	
	2017	2016
A. Basic earnings per share		
Profit attributable to ordinary shareholders of the parent (in thousand NT\$)	\$277,049	\$321,936
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	434,423	543,029
Basic earnings per share (NT\$)	\$0.64	\$0.59
B. Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	\$277,049	\$321,936
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	434,423	543,029
Effect of dilution:		
Employee Bonus — stock (in thousand)	6,985	8,694
Weighted average number of ordinary shares outstanding after dilution (in thousand)	441,408	551,723
Diluted earnings per share (NT\$)	\$0.63	\$0.58

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date the financial statements were authorized for issue.

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(24) Business Combinations

The Acquisition

TYO acquired 99% of the shares of Mejiro Genossen Inc. (“Mejiro”) on July 1, 2016. Mejiro was established in Japan and mainly engages in the research, development, manufacture and sale of industrial optical machines. The purpose of this merger is to meet TYO’s expectation of expanding product lines and enhancing TYO’s competitive advantage.

TYO has measured the non-controlling interest in Mejiro at fair value. The fair value was determined based on market approach. The fair values of the identifiable assets and liabilities of Mejiro as of the acquisition date were:

	<u>Fair value recognized on the acquisition date</u>
Assets	
Cash and cash equivalents	\$9,213
Inventories	8,593
Property, plant and equipment	1,466
Intangible assets	4,500
Guarantee deposits paid	332
Liabilities	<u>(-)</u>
Identifiable net assets	<u><u>\$24,104</u></u>

Goodwill of Mejiro Genossen Inc. is as follows:

	<u>Amount</u>
Cash considerations	\$29,744
Non-controlling interests at fair value	300
Less: identifiable net assets at fair value	<u>(24,104)</u>
Goodwill	<u><u>\$5,940</u></u>

Cash flow for acquisition:

	<u>Amount</u>
Net cash acquired from the subsidiary	\$9,213
Transaction costs attributable to cash paid	<u>(29,744)</u>
Net cash flow-out on acquisition	<u><u>\$(20,531)</u></u>

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The goodwill of NT\$5,940 thousand comprises the value of expected synergies arising from acquisition.

Net loss from Mejiro attributable to the Group as a going concern amounted to NT\$2,212 thousand from the date of acquisition to December 31, 2016. If the combination had taken place at the beginning of 2016, revenues and net loss of the Group for the year ended December 31, 2016 would have no significant impact.

(25) Subsidiaries that have Material Non-Controlling Interests

Financial information of subsidiaries that have material non-controlling interests is provided below:

Percentage of equity interest held by non-controlling interests:

Subsidiary	Country of incorporation and operation	March 31, 2017	December 31, 2016	March 31, 2016
Young Optics Inc.	Taiwan	53.48%	53.48%	53.48%

	March 31, 2017	December 31, 2016	March 31, 2016
Accumulated balance of material non-controlling interests:			
Young Optics, Inc.	<u>\$1,814,878</u>	<u>\$1,919,871</u>	<u>\$2,092,317</u>

	Three months ended March 31	
	2017	2016
Profit allocated to material non-controlling interest:		
Young Optics Inc.	<u>\$(36,238)</u>	<u>\$(36,132)</u>

The summarized financial information of these subsidiaries is provided below. This information is based on the amount before inter-company sales.

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Summarized information of profit or loss for the three months ended March 31, 2017:

	<u>Young Optics Inc.</u>
Operating revenue	\$848,693
Loss for the period from continuing operations	(66,824)
Total comprehensive income for the period	(195,369)

Summarized information of profit or loss for the three months ended March 31, 2016:

	<u>Young Optics Inc.</u>
Operating revenue	\$957,034
Loss for the period from continuing operations	(67,503)
Total comprehensive income for the period	(104,044)

Summarized information of financial position as of March 31, 2017:

	<u>Young Optics Inc.</u>
Current assets	\$2,945,127
Non-current assets	2,242,037
Current liabilities	(1,701,594)
Non-current liabilities	(96,726)

Summarized information of financial position as of December 31, 2016:

	<u>Young Optics Inc.</u>
Current assets	\$3,240,562
Non-current assets	2,291,496
Current liabilities	(1,851,045)
Non-current liabilities	(96,800)

Summarized information of financial position as of March 31, 2016:

	<u>Young Optics Inc.</u>
Current assets	\$3,107,667
Non-current assets	2,380,133
Current liabilities	(1,514,270)
Non-current liabilities	(61,151)

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Summarized cash flow information for the three months ended March 31, 2017:

	<u>Young Optics Inc.</u>
Operating activities	\$61,934
Investing activities	(43,771)
Financing activities	(64,159)
Net increase in cash and cash equivalents	(154,929)

Summarized cash flow information for the three months ended March 31, 2016:

	<u>Young Optics Inc.</u>
Operating activities	\$(130,055)
Investing activities	(41,921)
Financing activities	151,865
Net increase in cash and cash equivalents	(51,589)

7. Related Party Transactions

(1) Related Party Name and Categories

<u>Related Party Name</u>	<u>Related Party Categories</u>
Gunze Limited (“Gunze”)	Joint Venture
DongGuan Guan Zhi Electronics Ltd	Associate of Joint Venture

(2) Significant transactions with related parties

A. Sales

	<u>Three months ended March 31</u>	
	<u>2017</u>	<u>2016</u>
DongGuan Guan Zhi Electronics Ltd	<u>\$2,935</u>	<u>\$7,859</u>

The sales price to the above related parties was determined through mutual agreement based on the market rates. The payment terms are not significantly different between related parties and third-party customers. The receivables-related parties were not pledged, bearing no interest and were paid in cash. The receivables-related parties also were not guaranteed.

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B. Purchases

	Three months ended March 31	
	2017	2016
Gunze	\$71,834	\$60,121
DongGuan Guan Zhi Electronics Ltd	3	568
Total	<u>\$71,837</u>	<u>\$60,689</u>

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are between 60-90 days.

C. Accounts Receivable from Related Parties

	March 31, 2017	December 31, 2016	March 31, 2016
DongGuan Guan Zhi Electronics Ltd	<u>\$1,240</u>	<u>\$229</u>	<u>\$3,176</u>

D. Accounts Payable to Related Parties

	March 31, 2017	December 31, 2016	March 31, 2016
Gunze	\$38,862	\$40,850	\$30,880
DongGuan Guan Zhi Electronics Ltd	-	-	564
Total	<u>\$38,862</u>	<u>\$40,850</u>	<u>\$31,444</u>

E. Key Management Personnel Compensation

	Three months ended March 31	
	2017	2016
Short-term employee benefits	\$42,095	\$92,825
Post-employment benefits	384	110
Total	<u>\$42,479</u>	<u>\$92,935</u>

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8. Assets Pledged As Collateral

The following assets of the Group pledged as collateral:

	Carrying amount			Purpose of pledge
	As of March 31, 2017	As of December 31, 2016	As of March 31, 2016	
Assets pledged as collateral				
Time deposits (shown as “Other receivables”)	\$24,166	\$23,393	\$24,693	Lease execution deposits
Time deposits (shown as “Other receivables”)	16,662	19,367	14,435	Customs import guarantee
Bank deposits (shown as “Other receivables”)	-	-	5,431	Customs import guarantee
Bank deposits (shown as “Other receivables”)	9,099	9,675	-	Derivative execution deposits
Time deposits (shown as “Other noncurrent assets”)	20,765	20,761	20,761	Lease execution deposits
Time deposits (shown as “Other noncurrent assets”)	1,050	1,050	1,040	Customs import guarantee
Total	<u>\$71,742</u>	<u>\$74,246</u>	<u>\$66,360</u>	

9. Commitments and Contingencies

Amounts available under unused letters of credit as of March 31, 2017 are NT\$79,298 thousand.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

None.



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12. Others

(1) Categories of Financial Instruments

Financial assets

	March 31, 2017	December 31, 2016	March 31, 2016
Financial assets at fair value through profit or loss:			
Held for trading	\$35,137	\$171,055	\$215,298
Available-for-sale financial assets			
(Include Financial assets measured at cost)	392,012	382,442	388,551
Loans and receivables:			
Cash and cash equivalents			
(excluding cash on hand)	16,571,528	15,296,435	14,448,911
Note receivables, net	42,944	54,056	52,109
Trade receivables, net	12,557,294	17,534,750	14,141,174
Trade receivables from related parties	1,240	229	3,176
Other receivables	375,687	390,446	241,685
Subtotal	29,548,693	33,275,916	28,887,055
Derivative financial assets for hedging	411,800	146,604	250,388
Total	<u>\$30,387,642</u>	<u>\$33,976,017</u>	<u>\$29,741,292</u>

Financial liabilities

	March 31, 2017	December 31, 2016	March 31, 2016
Financial liabilities at amortized cost:			
Short-term borrowings	\$7,310,849	\$6,622,586	\$2,586,109
Trade payables (including related parties)	9,473,995	12,511,005	12,175,495
Other payables	3,326,718	4,153,319	3,831,761
Current portion of long-term borrowings	3,750	1,875	-
Long-term borrowings	26,250	28,125	-
Subtotal	20,141,562	23,316,910	18,593,365

(To be continued)

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(Continued)

	March 31, 2017	December 31, 2016	March 31, 2016
Financial liabilities at fair value through profit or loss:			
Held for trading	162,663	79,603	119,595
Derivative financial liability for hedging	413,952	143,274	229,837
Total	<u>\$20,718,177</u>	<u>\$23,539,787</u>	<u>\$18,942,797</u>

(2) Financial Risk Management Objectives and Policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

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The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD. The information of the sensitivity analysis is as follows:

When NTD appreciates or depreciates against USD by 1%, the profit for the three months ended March 31, 2017 and 2016 is decreased/increased by NT\$100,535 thousand and NT\$131,047 thousand, respectively, the equity is decreased/increased by NT\$217,010 thousand and NT\$222,774 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and receivables at variable interest rates, bank borrowings with fixed and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and bank borrowings with variable interest rate swaps. At the reporting date, an increase/decrease of 1% of interest rate in a reporting period could cause the profit for the three months ended March 31, 2017 and 2016 to decreased/increased by NT\$12,476 thousand and NT\$5,125 thousand, respectively.

Equity price risk

The fair value of the Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed equity securities are classified under held for trading financial assets or available-for-sale financial assets. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

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On March 31, 2017 and 2016, an increase/decrease of 1% in the price of the listed equity securities classified as available-for-sale could have an impact of NT\$687 thousand and NT\$606 thousand on the income or equity attributable to the Group.

(4) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for trade receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria, etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of March 31, 2017, December 31, 2016, and March 31, 2016, receivables from top ten 70%, 72%, and 70% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivables was insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity Risk Management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

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Non-derivative financial instruments

	Less than 1 year	1 to 3 years	3 to 5 years	Total
As of March 31, 2017				
Borrowings	\$7,320,792	\$15,537	\$11,368	\$7,347,697
Trade payables (including related parties)	9,473,995	-	-	9,473,995
Other payables	3,326,718	-	-	3,326,718
As of December 31, 2016				
Borrowings	\$6,629,449	\$15,586	\$13,287	\$6,658,322
Trade payables (including related parties)	12,511,005	-	-	12,511,005
Other payables	4,153,319	-	-	4,153,319
As of March 31, 2016				
Borrowings	\$2,587,587	\$-	\$-	\$2,587,587
Trade payables (including related parties)	12,175,495	-	-	12,175,495
Other payables	3,831,761	-	-	3,831,761

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Derivative financial instruments

	<u>Less than 1 year</u>	<u>1 to 3 years</u>	<u>Total</u>
As of March 31, 2017			
Inflows	\$-	\$-	\$-
Outflows	576,615	-	576,615
Net	<u>576,615</u>	<u>\$-</u>	<u>576,615</u>
As of December 31, 2016			
Inflows	\$-	\$-	\$-
Outflows	222,877	-	222,877
Net	<u>222,877</u>	<u>\$-</u>	<u>222,877</u>
As of March 31, 2016			
Inflows	\$-	\$-	\$-
Outflows	349,432	-	349,432
Net	<u>349,432</u>	<u>\$-</u>	<u>349,432</u>

The table above contains the undiscounted net cash flows of derivative financial instruments.

(6) Fair Value of Financial Instruments

- A. The methods and assumptions applied in determining the fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, trade receivables, trade payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price at the reporting date.

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- (c) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model or other valuation method.
- (d) The fair value of long-term borrowings without active market is determined by using valuation techniques. Therefore, the fair value is estimated using the present value of the expected cash flows. The assumption of interest rate and discount rate mainly is measured by similar financial instruments.

B. Fair value of financial instruments measured at amortized cost

The Group's financial assets and liabilities measured at amortized cost whose carrying amount approximate their fair values.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

(7) Derivative Financial Instruments

The Group's derivative financial instruments include forward currency contracts and embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled is as follows:

Forward currency contracts and cross currency contracts

The Group entered into forward currency and cross currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to forward currency contracts:

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Item (by contract)	Notional Amount		Contract Period
As of March 31, 2017			
Forward currency contract			
Selling forward currency contracts	USD	200,000 thousand	From April 2017 to July 2017
Buying forward currency contracts	USD	195,500 thousand	From April 2017 to July 2017
Selling forward currency contracts	EUR	8,000 thousand	From April 2017 to May 2017
Forward cross currency contract	USD	20,500 thousand	From April 2017 to May 2017
As of December 31, 2016			
Forward currency contract			
Selling forward currency contracts	USD	311,500 thousand	From January 2017 to February 2017
Buying forward currency contracts	USD	233,000 thousand	From January 2017 to June 2017
Selling forward currency contracts	USD	10,000 thousand	From January 2017 to March 2017
Forward cross currency contract	USD	20,500 thousand	From January 2017 to March 2017
As of March 31, 2016			
Forward currency contract			
Selling forward currency contracts	USD	366,000 thousand	From April 2016 to September 2016
Buying forward currency contracts	USD	212,500 thousand	From April 2016 to June 2016
Selling forward currency contracts	EUR	8,000 thousand	From April 2016 to May 2016
Selling forward currency contracts	CAD	1,800 thousand	April 2016
Forward cross currency contract	USD	21,000 thousand	From April 2016 to June 2016

Hedging forward currency contracts

The currency of sales, costs of goods sold and trade on behalf of the purchase were in US Dollars or British Pounds. The Group entered into forward currency and cross currency contracts to manage its exposure to financial risk, but these contracts are designated as hedging instruments. The table below lists the information related to forward currency contracts:

Item (by contract)	Notional Amount		Contract Period
As of March 31, 2017			
Forward currency contract			
Selling forward currency contracts	USD	408,000 thousand	From April 2017 to December 2017
Buying forward currency contracts	USD	408,000 thousand	From April 2017 to December 2017
Selling forward currency contracts	GBP	3,500 thousand	June 2017



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Item (by contract)	Notional Amount		Contract Period
As of December 31, 2016			
Forward currency contract			
Selling forward currency contracts	USD	341,000 thousand	From January 2017 to June 2017
Buying forward currency contracts	USD	341,000 thousand	From January 2017 to June 2017
Selling forward currency contracts	GBP	3,500 thousand	March 2017
As of March 31, 2016			
Forward currency contract			
Selling forward currency contracts	USD	389,000 thousand	From April 2016 to December 2016
Buying forward currency contracts	USD	389,000 thousand	From April 2016 to December 2016
Selling forward currency contracts	GBP	3,500 thousand	June 2016

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

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B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

	As of March 31, 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$35,137	\$-	\$35,137
Available-for-sale financial assets				
Stock	68,664	-	-	68,664
Hedging derivative financial assets-current	-	411,800	-	411,800
Liabilities at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	\$-	\$147,708	\$-	\$147,708
Forward cross currency contract	-	14,955	-	14,955
Hedging derivative financial liabilities-current	-	413,952	-	413,952
	As of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$162,609	\$-	\$162,609
Forward cross currency contract	-	8,446	-	8,446
Available-for-sale financial assets				
Stock	54,962	-	-	54,962
Hedging derivative financial assets-current	-	146,604	-	146,604

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	As of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Liabilities at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	\$-	\$79,603	\$-	\$79,603
Hedging derivative financial liabilities-current	-	143,274	-	143,274
	As of March 31, 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$215,298	\$-	\$215,298
Available-for-sale financial assets				
Stock	60,567	-	-	60,567
Hedging derivative financial assets-current	-	250,388	-	250,388
Liabilities at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	\$-	\$106,957	\$-	\$106,957
Forward cross currency contract	-	12,638	-	12,638
Hedging derivative financial liabilities-current	-	229,837	-	229,837

Transfers between the Level 1 and Level 2 during the period

During the three months ended March 31, 2017 and 2016, there were no transfers between Level 1 and Level 2 fair value measurements.

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- C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of March 31, 2017				
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties	\$-	\$-	\$226,300	\$226,300
(please refer to Note 6(9))				

As of December 31, 2016				
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties	\$-	\$-	\$226,300	\$226,300
(please refer to Note 6(9))				

As of March 31, 2016				
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties	\$-	\$-	\$240,200	\$240,200
(please refer to Note 6(9))				

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(9) Significant Assets and Liabilities Denominated in Foreign Currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	March 31, 2017		
	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>			
Monetary item:			
USD	\$850,751	30.33	\$25,803,278
JPY	40,386	0.2713	10,957
Non-Monetary items			
USD	\$2,152	30.33	\$65,265
<u>Financial Liabilities</u>			
Monetary items			
USD	\$519,279	30.33	\$15,749,732
JPY	34,487	0.2713	9,356
	December 31, 2016		
	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>			
Monetary item:			
USD	\$962,773	32.25	\$31,049,429
JPY	50,795	0.2756	13,999
Non-Monetary items:			
USD	\$2,152	32.25	\$69,397
<u>Financial Liabilities</u>			
Monetary items:			
USD	\$528,462	32.25	\$17,042,900
JPY	22,247	0.2756	6,131

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	March 31, 2016		
	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>			
Monetary item:			
USD	\$833,926	32.185	\$26,839,908
JPY	5,938	0.2863	1,700
Non-Monetary items:			
USD	\$2,152	32.185	\$69,258
<u>Financial Liabilities</u>			
Monetary items:			
USD	\$426,759	32.185	\$13,735,238
JPY	14,852	0.2863	4,252

The Group's entities functional currency are various, and hence is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange gain (loss) was NT\$210,668 thousand and NT\$(93,617) thousand for the three months ended March 31, 2017 and 2016, respectively.

(10) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

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13. Additional Disclosures

(1) The following are additional disclosures for the Group and its affiliates:

- A. Financing provided to others for the three months ended March 31, 2017: None.
- B. Endorsement/Guarantee provided to others for the three months ended March 31, 2017: Please refer to Attachment 1.
- C. Securities held as of March 31, 2017 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the three months ended March 31, 2017: None.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the three months ended March 31, 2017: None.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the three months ended March 31, 2017: None.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the three months ended March 31, 2017: Please refer to Attachment 3.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of March 31, 2017: Please refer to Attachment 4.
- I. The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 5.
- J. Financial instruments and derivative transactions: Please refer to Note 6(2), Note 12(1), Note 12(7) and Attachment 8.

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(2) Information on investees

- A. Relevant information on investees when the investees have significant influence or direct or indirect control. Please refer to Attachments 6, 6-1, and 6-3.
- B. When the investees have significant influence or direct or indirect control, the above items from A to I shall be disclosed. Please refer to Attachments 1-1, 2-1, 3-1, 4-1 and 9.
- C. Financial instruments and derivative transactions: Please refer to Attachment 8.

(3) Investment in Mainland China

- A. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 7, Attachment 7-1 and Attachment 7-2.
- B. Directly or indirectly significant transactions with the investees in Mainland China, please refer to Attachment 5.

14. Segment information

(1) General Information

- A. The Group's reportable segments are organized into business units based on their products and services, and that they will be available for managing units to earn revenues and incur expense. Every unit needs unique technologies and marketing strategies, and the Group's chief operating decision maker manages every unit individually. The Group determined its reportable segments based on the Group's internal reports.
- B. The Group has three reportable segments:
  - (a) Energy-saving products segments: mainly engaged in the R&D, production and marketing of backlighting, panel modules, medical displays and energy-efficient lighting equipment.



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- (b) Image products and brand segments: mainly engaged in the R&D, production and marketing of projector and brand management.
- (c) Optical components segments: mainly engaged in the R&D, production and marketing of projection-related applications of optics related components.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, financial cost, income and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

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(2) Segment income, assets and liabilities information

For the three months ended March 31, 2017							
	Energy - saving products sector	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note1)	Adjustment and elimination (Note2)	Total
Revenue							
Net revenue from external customers	\$7,255,845	\$4,219,293	\$729,838	\$12,204,976	\$20,597	\$-	\$12,225,573
Net revenue from sales among intersegments	4,084	10,799	118,855	133,738	-	(133,738)	-
Total revenue	<u>\$7,259,929</u>	<u>\$4,230,092</u>	<u>\$848,693</u>	<u>\$12,338,714</u>	<u>\$20,597</u>	<u>\$(133,738)</u>	<u>\$12,225,573</u>
Segment income	<u>\$264,722</u>	<u>\$127,357</u>	<u>\$(55,542)</u>	<u>\$336,537</u>	<u>\$2,168</u>	<u>\$5,521</u>	<u>\$344,226</u>
Segment Assets(Note3)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$46,318,414</u>	<u>\$46,318,414</u>

For the three months ended March 31, 2016							
	Energy - saving products sector	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note1)	Adjustment and elimination (Note2)	Total
Revenue							
Net revenue from external customers	\$9,110,909	\$3,778,003	\$853,940	\$13,742,852	\$153,305	\$-	\$13,896,157
Net revenue from sales among intersegments	1,115	5,835	103,094	110,044	87	(110,131)	-
Total revenue	<u>\$9,112,024</u>	<u>\$3,783,838</u>	<u>\$957,034</u>	<u>\$13,852,896</u>	<u>\$153,392</u>	<u>\$(110,131)</u>	<u>\$13,896,157</u>
Segment income	<u>\$234,385</u>	<u>\$96,746</u>	<u>\$(44,017)</u>	<u>\$287,114</u>	<u>\$3,447</u>	<u>\$123,790</u>	<u>\$414,351</u>
Segment Assets(Note3)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$47,388,876</u>	<u>\$47,388,876</u>

Note1: Two operating segments did not meet the quantitative thresholds for reportable segments as of March 31, 2017 and 2016. They have been combined into other segments.

Note2: Inter-segment revenue are eliminated on consolidation and recorded under the “adjustment and elimination” column, all other adjustments and eliminations are disclosed below.

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Note 3: If the measurements of the asset were not provided to the decision makers, the amount of the assets to be disclosed by every segment may be expressed as zero and listed as group asset.

	For the three months ended March 31	
	2017	2016
Net income of reportable segment	\$336,537	\$287,114
Income of other segment	2,168	3,447
Unallocated amount:		
Interest income	67,459	62,122
Interest expense	(36,795)	(27,618)
Financial assets at fair value through		
profit or loss	(194,224)	225,500
Exchange net loss	210,668	(93,617)
Others	(41,587)	(42,597)
Income before income tax	<u>\$344,226</u>	<u>\$414,351</u>

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the three months ended March 31, 2017)  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorsor/Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of Endorsement/ Guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statement	Limit of total guarantee/endorsement amount	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiary in Mainland China
		Company Name	Relationship										
0	Coretronic Corporation	Young Lighting Technology	Subsidiary	\$ 10,816,548 (Note a)	\$ 327,955 (USD10,700 thousands)	\$ 324,531 (USD10,700 thousands)	\$ 324,531	-	1.50%	\$ 21,633,096 (Note a)	Yes	No	No
0	Coretronic Corporation	Suzhou Nano Display	Associate	10,816,548 (Note a)	6,269 (USD200 thousands)	6,066 (USD200 thousands)	6,066	-	0.03%	21,633,096 (Note a)	Yes	No	Yes
0	Coretronic Corporation	Lead Bright (HK) Limited	Associate	10,816,548 (Note a)	156,725 (USD5,000 thousands)	151,650 (USD5,000 thousands)	-	-	0.70%	21,633,096 (Note a)	Yes	No	No
0	Coretronic Corporation	YLG Optotech Limited	Associate	10,816,548 (Note a)	143,874 (USD4,590 thousands)	139,215 (USD4,590 thousands)	116,012	-	0.64%	21,633,096 (Note a)	Yes	No	Yes
0	Coretronic Corporation	Coretronic Display (Suzhou)	Associate	10,816,548 (Note a)	306,500 (USD10,000 thousands)	303,300 (USD10,000 thousands)	-	-	1.40%	21,633,096 (Note a)	Yes	No	Yes
Total					<u>\$ 941,323</u>	<u>\$ 924,762</u>							

Note a: Based on the procedures of endorsement/guarantee provided to others, the amount of endorsements/guarantees for any single entity shall not exceed 50% of the Company's net worth from the latest financial statement.  
Based on the procedures of endorsement/guarantee provided to others, the total amount of endorsements/guarantees shall not exceed 100% of the Company's net worth from the latest financial statement.

ATTACHMENT 1-1 (Financing provided to others for the three months ended March 31, 2017)  
(The certain information is based on the unreviewed financial statements)  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Lender	Counter-party	Financial statement account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	Value		
1	Coretronic (Suzhou)	Coretronic System Engineering	Accounts receivables - related parties	Yes	\$ 18,807	\$ 18,198	\$ 18,198	1%	The need for short-term financing	-	Business turnover	-	None	-	\$ 3,025,292	\$ 3,025,292
1	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Accounts receivables - related parties	Yes	1,028,258	989,121	989,121	1%	The need for short-term financing	-	Business turnover	-	None	-	3,025,292	3,025,292
2	Coretronic Projection (Kunshan)	Coretronic Display (Suzhou)	Accounts receivables - related parties	Yes	159,951	153,863	153,863	1%	The need for short-term financing	-	Business turnover	-	None	-	4,013,595	4,013,595
3	Coretronic (Ningbo)	YLG Optotech Limited	Accounts receivables - related parties	Yes	266,433	257,805	257,805	1%	The need for short-term financing	-	Business turnover	-	None	-	1,241,431	1,241,431
3	Coretronic (Ningbo)	Coretronic Display (Suzhou)	Accounts receivables - related parties	Yes	274,202	263,765	263,765	1%	The need for short-term financing	-	Business turnover	-	None	-	3,103,576	3,103,576
4	MAT	Brightbridge	Accounts receivables - related parties	Yes	2,718	2,630	2,630	1%	The need for short-term financing	-	Business turnover	-	None	-	848,889	848,889
5	Greendale	Coretronic Display (Suzhou)	Accounts receivables - related parties	Yes	266,433	257,805	257,805	1%	The need for short-term financing	-	Business turnover	-	None	-	4,443,515	4,443,515
6	Lead Bright (HK)	Core-Flex	Accounts receivables - related parties	Yes	132,056	127,780	127,780	1%	The need for short-term financing	-	Business turnover	-	None	-	1,291,783	1,291,783
7	Dynamic Time	Optoma Corporation	Other receivables - related parties	Yes	501,520	485,280	485,280	-	The need for short-term financing	-	Business turnover	-	None	-	617,872	617,872
7	Dynamic Time	Optoma USA	Other receivables - related parties	Yes	109,708	106,155	106,155	0.7%-1.01%	The need for short-term financing	-	Business turnover	-	None	-	617,872	617,872
8	Modern Smart	Optoma USA	Other receivables - related parties	Yes	20,374	19,715	19,715	1.01%	The need for short-term financing	-	Business turnover	-	None	-	43,369	43,369
8	Modern Smart	Optoma Corporation	Other receivables - related parties	Yes	20,374	19,715	19,715	-	The need for short-term financing	-	Business turnover	-	None	-	43,369	43,369
9	Masterview	Young Optics (BD)	Other receivables - related parties	Yes	123,813	119,804	119,804	2%	The need for short-term financing	-	Business turnover	-	None	-	2,318,789	2,318,789

Note a: Limit of financing amount for individual counter-party and total financing amount should not exceed 100% of lender's net worth from the latest financial statement, including Greendale Investments Limited、Mat Limited、Coretronic Projection (Kunshan) Corporation、Coretronic (Suzhou). The above restriction only applies to the foreign subsidiaries whose shares are 100% owned, directly or indirectly, by the Company.

Note b: Limit of total financing amount for individual counter-party should not exceed 40% of lender's net worth from the latest financial statement, and limit of financing amount should not exceed 100% of the latest financial statements of lender, including Dynamic Time Investments Limited、Modern Smart Ltd.、Lead Bright (HK) Limited、Coretronic (Ningbo) Co., Ltd. The above restriction only applies to the need for short-term financing.

Note c: Limit of financing amount for individual counter-party and total financing amount should not exceed 100% of lender's net worth from the latest financial statement of Masterview Enterprises Limited. The above restriction only applies to the foreign subsidiaries whose shares are 100% owned, directly or indirectly, by the Company.

Note d: The latest financial statements were recognized based on the audited financial statements.

ATTACHMENT 2 (Securities held as of March 31, 2017)

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

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2017				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value	
Coretronic Corporation	Maxima Venture I, Inc.	-	Financial assets measured at cost, noncurrent	29,400	\$ 221	5.26%	(Note a)	
Coretronic Corporation	Nightingale Intelligent Systems, Inc.	-	Financial assets measured at cost, noncurrent	-	17,966	-	(Note a)	

Note a : The securities held are not traded in the open market, and there are no fair value.

## ATTACHMENT 2-1 (Securities held as of March 31, 2017)

(The certain information is based on the unreviewed financial statements)

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

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2017				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value	
Chung Tsen Investment	Shieh Yong Investment	-	Financial assets measured at cost, noncurrent	34,107,900	\$ 210,787	4.47%	(Note a)	
	YODN Lighting	-	Financial assets measured at cost, noncurrent	128,709	-	0.72%	(Note a、d)	
Venture Orient	Unitech Capital	-	Financial assets measured at cost, noncurrent	2,500,000	USD 1,913,500	5.00%	(Note a)	
	Viewsonic	-	Financial assets measured at cost, noncurrent	283,403 (Note c)	USD 238,341 (Note b)	0.38%	(Note a)	
Tsen Ming Investment	Celxpert Energy	-	Available-for-sale financial assets, noncurrent	1,591,000	35,082	1.83%	35,082	
Optoma	LIULIGONGFANG	-	Financial assets measured at cost, noncurrent	242,094	-	7.53%	(Note a)	
	Excel Global	-	Financial assets measured at cost, noncurrent	812,506	(Note b) 26,389	19.90%	(Note a)	
Coretronic Venture Capital	Celxpert Energy	-	Available-for-sale financial assets, noncurrent	1,523,000	33,582	1.75%	33,582	
	GeneJet Biotech	-	Investments accounted for using the equity method, noncurrent	1,575,000	29,364	19.51%	(Note a)	
Young Lighting Technology	GLO AB	-	Financial assets measured at cost, noncurrent	50,000	2,720	0.42%	(Note a)	

Note a : The shares are not traded in the open market, and there is no fair value.

Note b : The impairment loss was recognized as the difference between the recoverable amount of the security and its carrying value.

Note c : Venture Orient held 1,417,017 shares of common stock of Viewsonic. Venture Orient agreed that 1 shares of Viewsonic were exchanged for 0.2 shares of Viewsonic (Cayman) in November 2011, and Venture Orient acquired 283,403 shares of Viewsonic (Cayman). The ownership percentage and equity for the security were not changed.

Note d : Glory Praise Photonics Corp. changed its name into YODN Lighting Corp. in July 2015. The ownership of YODN Lighting Corp. was changed into 128,709 shares with a capital reduction plan of 50%. The ownership percentage and equity for the security were not changed.

ATTACHMENT 3 ( Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the three months ended March 31, 2017)

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

Company Name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Coretronic Corporation	Optoma	Subsidiary	Sales	\$ 928,917	21.52%	120 days	-	-	\$ 1,397,304	22.28%	
Coretronic Corporation	Young Lighting Technology	Subsidiary	Sales	155,883	3.61%	60 days	-	-	147,104	2.35%	



ATTACHMENT 3-1 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the three months ended March 31, 2017)  
(The certain information is based on the unreviewed financial statements)  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Counter-party	Relationship	Transaction				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Young Optics	Grace China	Associate	Purchases	\$ 430,955	80.37%	90 days	-	-	\$ (351,788)	(80.85%)	
Young Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	Sales	116,663	22.76 %	90 days	-	-	113,371	23.96 %	
Young Optics (Kunshan)	Grace China	Associate	Sales	351,976	68.61 %	90 days	-	-	317,409	67.07 %	
Optoma	Optoma Europe	Associate	Sales	522,244	44.16%	90 days	-	-	479,528	35.51 %	
Optoma	Optoma USA	Associate	Sales	415,323	35.12%	120 days	-	-	708,928	52.50 %	
Daf International (ShangHai)	Vimax (Kunshan)	Associate	Purchases	206,402	80.85%	90 days	-	-	(399,991)	(90.45%)	
Young Lighting Technology	Coretronic Projection (Kunshan)	Associate	Purchases	153,158	7.72%	60 days	-	-	(278,004)	(7.82%)	
Young Lighting Technology	YLG Optotech	Associate	Purchases	170,170	8.58%	60 days	-	-	(83,932)	(2.36%)	
Young Lighting Technology	Coretronic (Suzhou)	Associate	Purchases	344,423	17.37%	60 days	-	-	(261,809)	(7.36%)	
Young Lighting Technology	Coretronic Display (Suzhou)	Associate	Purchases	837,564	42.24%	60 days	-	-	(404,240)	(11.37%)	
Nano Precision (Suzhou)	Coretronic (Suzhou)	Associate	Sales	126,387	37.66%	60 days	-	-	122,930	32.52 %	
Coretronic Projection (Kunshan)	Vimax (Kunshan)	Associate	Sales	283,601	8.50%	60 days	-	-	813,051	20.32%	

ATTACHMENT 4 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of March 31, 2017)

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

Company Name	Counter-party	Relationship	Ending balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
					Amount	Collection status		
Accounts receivable								
Coretronic Corporation	Optoma	Subsidiary	\$ 1,397,304	2.42	\$ -	-	\$ -	\$ -
Coretronic Corporation	Young Lighting Technology	Subsidiary	147,104	5.73	-	-	-	-

ATTACHMENT 4-1 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of March 31, 2017)

(The certain information is based on the unreviewed financial statements)

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

Company Name	Counter-party	Relationship	Ending balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
					Amount	Collection status		
Accounts receivables:								
Optoma	Optoma USA	Associate	\$ 708,928	2.19	\$ -	-	\$ -	\$ -
Optoma	Optoma Europe	Associate	479,528	3.40	-	-	-	-
Young Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	113,371	3.31	-	-	-	-
Young Optics (Kunshan)	Grace China	Associate	317,409	3.95	-	-	-	-
Grace China	Young Optics	Associate	351,788	4.51	-	-	-	-
Grace China	Young Optics (BD)	Associate	173,088	0.58	-	-	-	-
Nano Precision (Suzhou)	Coretronic (Suzhou)	Associate	122,930	3.83	-	-	-	-
Vimax (Kunshan)	Daf International (ShangHai)	Associate	399,991	2.11	-	-	-	-
Coretronic Projection (Kunshan)	Vimax (Kunshan)	Associate	813,051	0.81	-	-	-	-
Other Receivables:								
Coretronic Projection (Kunshan)	Young Lighting Technology	Associate	278,004	-	-	-	-	-
Coretronic Display (Suzhou)	Young Lighting Technology	Associate	404,240	-	-	-	-	-
Coretronic (Suzhou)	Young Lighting Technology	Associate	261,809	-	-	-	-	-
Coretronic (Shanghai)	Coretronic Display (Suzhou)	Associate	217,872	-	-	-	-	-

ATTACHMENT 5 (Significant intercompany transactions between consolidated entities)

(Amounts in thousand; Currency denomination in NTD or in foreign currencies)

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
0	Coretronic Corporation	Optoma Corporation	1	Accounts receivables	1,397,304	—	3.02%
			1	Sales	928,917	—	7.60%
		Vimax (Kunshan)	1	Accounts receivables	45,563	—	0.10%
			1	Sales	45,820	—	0.37%
		Nano Precision (Suzhou)	1	Accounts receivables	93,954	—	0.20%
			1	Sales	81,123	—	0.66%
		Young Lighting Technology	1	Other receivables	41,322	—	0.09%
			1	Accounts receivables	147,104	—	0.32%
			1	Sales	155,883	—	1.28%
		Greendale	1	Accounts receivables	2,327,760	—	5.03%
			1	Sales	1,415,545	—	11.58%
		Wisdom Success (HK)	1	Sales	39,569	—	0.32%
		Coretronic Optotech (Suzhou)	1	Accounts receivables	2,833,861	—	6.12%
			1	Sales	2,544,564	—	20.81%
1	Optoma Corporation	Optoma USA	3	Accounts receivables	708,928	—	1.53%

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
1	Optoma Corporation	Optoma USA	3	Sales	415,323	—	3.40%
		Optoma Europe	3	Accounts receivables	479,528	—	1.04%
			3	Sales	522,244	—	4.27%
2	Young Optics	Grace China	3	Other receivables	36,413	—	0.08%
			3	Accounts receivables	54,841	—	0.12%
			3	Sales	67,243	—	0.55%
		Aptek Optical	3	Sales	42,663	—	0.35%
3	Grace China	Young Optics	3	Accounts receivables	351,788	—	0.76%
			3	Sales	432,562	—	3.54%
		Young Optics (Kunshan)	3	Accounts receivables	86,046	—	0.19%
			3	Sales	86,490	—	0.71%
		Young Optics (BD)	3	Other receivables	65,442	—	0.14%
			3	Accounts receivables	173,088	—	0.37%
4	Young Optics (Kunshan)	Grace China	3	Accounts receivables	317,409	—	0.69%
			3	Sales	351,976	—	2.88%
		Young Optics (Suzhou)	3	Accounts receivables	41,369	—	0.09%

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
4	Young Optics (Kunshan)	Young Optics (Suzhou)	3	Sales	42,426	—	0.35%
		Coretronic Projection (Kunshan)	3	Accounts receivables	113,371	—	0.24%
			3	Sales	116,663	—	0.95%
5	Dynamic Time	Optoma Corporation	3	Other receivables	485,280	—	1.05%
		Optoma USA	3	Other receivables	106,489	—	0.23%
6	Wisdom Success	Coretronic (Suzhou)	3	Accounts receivables	721,188	—	1.56%
			3	Sales	905,692	—	7.41%
7	Coretronic (Suzhou)	Wisdom Success	3	Accounts receivables	1,295,292	—	2.80%
			3	Sales	487,885	—	3.99%
		Young Lighting Technology	3	Accounts receivables	1,102,386	—	2.38%
			3	Sales	347,249	—	2.84%
		Coretronic Display (Suzhou)	3	Other receivables	995,349	—	2.15%
8	Vimax (Kunshan)	Daf International (Shanghai)	3	Accounts receivables	399,991	—	0.86%
			3	Sales	206,858	—	1.69%
9	Masterview	Young Optics (BD)	3	Other receivables	121,012	—	0.26%
10	Young Optics (Suzhou)	Grace China	3	Accounts receivables	68,520	—	0.15%

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
10	Young Optics (Suzhou)	Grace China	3	Sales	74,307	—	0.61%
11	Nano Precision (Suzhou)	Coretronic (Suzhou)	3	Accounts receivables	122,930	—	0.27%
			3	Sales	126,387	—	1.03%
		Great Pride (HK)	3	Accounts receivables	66,117	—	0.14%
			3	Sales	45,841	—	0.38%
		Coretronic Display (Suzhou)	3	Sales	31,166	—	0.25%
12	Young Lighting Technology	Coretronic (Suzhou)	3	Accounts receivables	1,079,107	—	2.33%
			3	Sales	1,347,343	—	11.02%
		Coretronic Projection (Kunshan)	3	Accounts receivables	96,469	—	0.21%
			3	Sales	126,461	—	1.03%
		Coretronic (Guangzhou)	3	Accounts receivables	67,456	—	0.15%
			3	Sales	63,443	—	0.52%
		YLG Optotech	3	Accounts receivables	205,530	—	0.44%
			3	Sales	164,817	—	1.35%
		Coretronic Display (Suzhou)	3	Accounts receivables	784,695	—	1.69%
			3	Sales	613,210	—	5.02%

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
13	Coretronic (Shanghai)	Young Lighting Technology	3	Accounts receivables	31,119	—	0.07%
		Coretronic Display (Suzhou)	3	Accounts receivables	217,872	—	0.47%
14	Greendale	Coretronic Corporation	2	Other receivables	2,232,835	—	4.82%
		Vimax (Kunshan)	3	Other receivables	616,892	—	1.33%
		Coretronic Projection (Kunshan)	3	Other receivables	2,327,760	—	5.03%
		Coretronic Display (Suzhou)	3	Other receivables	259,846	—	0.56%
15	Coretronic Projection (Kunshan)	Vimax (Kunshan)	3	Accounts receivables	813,051	—	1.76%
			3	Sales	283,601	—	2.32%
		Young Lighting Technology	3	Accounts receivables	307,675	—	0.66%
			3	Sales	280,471	—	2.29%
		Greendale	3	Accounts receivables	2,849,723	—	6.15%
			3	Sales	2,740,691	—	22.42%
		Coretronic Display (Suzhou)	3	Other receivables	153,902	—	0.33%
16	Coretronic (Ningbo)	Lead Bright (HK)	3	Accounts receivables	685,694	—	1.48%
			3	Sales	418,192	—	3.42%
		YLG Optotech	3	Other receivables	259,462	—	0.56%



No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
16	Coretronic (Ningbo)	Coretronic Display (Suzhou)	3	Other receivables	264,461	—	0.57%
17	Wisdom Success (HK)	Coretronic (Suzhou)	3	Sales	39,514	—	0.32%
18	Bigshine (HK)	Coretronic (Shanghai)	3	Other receivables	335,367	—	0.72%
19	Lead Bright (HK)	Core-Flex	3	Other receivables	128,668	—	0.28%
20	YLG Optotech	Young Lighting Technology	3	Accounts receivables	196,305	—	0.42%
			3	Sales	314,140	—	2.57%
		Coretronic Display (Suzhou)	3	Accounts receivables	70,712	—	0.15%
			3	Sales	95,125	—	0.78%
21	Young Optics (BD)	Grace China	3	Accounts receivables	44,569	—	0.10%
			3	Sales	52,618	—	0.43%
22	Coretronic Display (Suzhou)	Young Lighting Technology	3	Accounts receivables	1,088,794	—	2.35%
			3	Sales	1,437,064	—	11.75%
		YLG Optotech	3	Accounts receivables	35,745	—	0.08%
23	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivables	2,850,652	—	6.15%
			2	Sales	653,281	—	5.34%

Note 1: Coretronic Corporation and its subsidiaries are coded as follows:

1. Coretronic Corporation 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. The holding company to subsidiary.
2. The subsidiary to holding company.
3. Subsidiaries to subsidiaries.

Note 3: In principle, the received/payment terms were month-end 90 days or 30-150 days.

Note 4: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.  
For profit or loss items, cumulative balances are used as basis.

ATTACHMENT 6 (Names, locations and related information of investee companies as of March 31, 2017) (Not including investment in Mainland China)  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Address	Main businesses and products	Initial Investment		Investment as of March 31, 2017			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic Corporation	Coretronic (BVI) Investment Corp.	B.V.I.	Holding company	\$ 1,566,475	\$ 1,566,475	47,220,000	100.00%	\$ 4,515,509	\$ 65,319	\$ 65,319	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	881,999	30,368	30,368	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,156,668	1,156,668	36,522,900	78.06%	2,270,031	50,872	39,711	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	614,303	614,303	18,700	100.00%	9,661,290	167,564	167,564	Subsidiary
Coretronic Corporation	Coretronic Venture Capital Co., Ltd.	Miaoli County, Taiwan	The investment activities of company's business expansion	300,000	300,000	30,000,000	100.00%	291,844	(836)	(836)	Subsidiary
Coretronic Corporation	Coretronic System Engineering Co.	Hsinchu County, Taiwan	Engaged in the production and integration of Multimedia products	105,000	105,000	10,500,000	100.00%	1,624	2,500	2,500	Subsidiary
Coretronic Corporation	Chung Tsen Investment Corp.	Miaoli County, Taiwan	Investing company for strategic purposes	692,696	692,696	127,099,664	100.00%	1,122,017	(1,436)	(1,436)	Subsidiary
Coretronic Corporation	Young Green Energy Co.	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of Electronic Components, Battery, Computer and its Peripheral Devices, and Electronic Material	175,122	175,122	14,883,491	78.96%	169,170	(2,756)	(2,176)	Subsidiary
Coretronic Corporation	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of Electronic Components and Optics	583,798	583,798	43,757,586	38.36%	1,298,001	(65,746)	(25,223)	Subsidiary
Coretronic Corporation	Young Lighting Technology Inc.	Hsinchu City, Taiwan	Engaged in the design, production and marketing of General Lighting Application, Electronic Components and Optical Devices	201,617	201,617	43,172,191	100.00%	878,453	22,244	22,244	Subsidiary
Coretronic Corporation	Optoma Corporation	New Taipei City, Taiwan	Engaged in the production and marketing of Data Storage and Processing Equipment, Electronic Components, Optical Devices, Wireless Communications Equipment and Electronic Appliances	358,198	358,198	52,117,440	89.15%	986,226	(5,431)	(3,414)	Subsidiary

ATTACHMENT 6-1 (Names, locations and related information of investee companies as of March 31, 2017) (Not including investment in Mainland China)  
(The certain information is based on the unreviewed financial statements)  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Address	Main businesses and products	Initial Investment		Investment as of March 31, 2017			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of share	Percentage of ownership	Carrying amount			
Coretronic BVI	Greendale	Samoa	Holding company	USD 46,400,000	USD 46,400,000	46,400	100.00 %	USD 149,288,053	USD 2,105,427	(Note a)	Associate
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 8,000,000	USD 8,000,000	8,000	100.00 %	USD 247,122,014	USD 5,298,901	(Note a)	Associate
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 16,092,805	(USD 251,514)	(Note a)	Associate
Visicorp	Investdragon	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 2,171,830	(USD 47,777)	(Note a)	Associate
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 28,029,776	USD 92,340	(Note a)	Associate
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 13,513,303	USD 135,422	(Note a)	Associate
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,665,000	USD 5,665,000	5,665,000	12.11 %	USD 11,608,944	USD 1,653,278	(Note a)	Associate
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 8,000,000	USD 8,000,000	8,000	100.00 %	USD 122,590,663	USD 4,930,403	(Note a)	Associate
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 79,322,724	USD 353,656	(Note a)	Associate
Wisdom Success	Investdragon (HK)	HK	Holding company	USD 2,000,000	USD 2,000,000	2,000	40.00 %	USD 1,443,355	(USD 79,631)	(Note a)	Associate
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 21,622,537	USD 352,112	(Note a)	Associate
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 21,224,573	(USD 398,551)	(Note a)	Associate
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 12,734,744	(USD 398,551)	(Note a)	Associate
Investdragon	Investdragon (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	60.00 %	USD 2,165,032	(USD 79,631)	(Note a)	Associate
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 28,029,724	USD 353,656	(Note a)	Associate
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 13,513,207	USD 352,112	(Note a)	Associate
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 29,079,682	USD 955,639	(Note a)	Associate
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 66,701,484	USD 1,234,819	(Note a)	Associate
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 5,203,449	USD 518,588	(Note a)	Associate
Tecpoint	Nano Precision	HK	Holding company	USD 6,800,000	USD 6,800,000	6,800,000	100.00 %	USD 8,841,426	(USD 79,869)	(Note a)	Associate
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 13,442,715	USD 8,471	(Note a)	Associate
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800	100.00 %	USD 65,642,640	USD 1,190,986	(Note a)	Associate

Note a: The share of profit/loss of associates were recognized by the holding company.

ATTACHMENT 6-2 (Names, locations and related information of investee companies as of March 31, 2017) (Not including investment in Mainland China)  
(The certain information is based on the unreviewed financial statements)  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Address	Main businesses and products	Initial Investment		Investment as of March 31, 2017			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Chung Tsen Investment	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	\$ 410,108	\$ 5,170	(Note a)	Associate
Chung Tsen Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of Electronic Components and Optics	71,089	71,089	5,203,317	4.56 %	154,348	(65,746)	(Note a)	Subsidiary
Chung Tsen Investment	Young Green Energy	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of Electronic Components, Battery, Computer and its Peripheral Devices and Electronic Material	18,000	18,000	1,500,000	7.96 %	17,554	(2,756)	(Note a)	Subsidiary
Chung Tsen Investment	Tsen Ming Investment	Miaoli County, Taiwan	Investing company for strategic purpose	102,000	102,000	32,443,180	100.00 %	271,509	(2,935)	(Note a)	Associate
Chung Tsen Investment	Optoma	New Taipei City, Taiwan	Engaged in the production and marketing of Data Storage and Processing Equipment, Electronic Components, Optical Devices, Wireless Communications Equipment and Electronic Appliances	-	31,500	-	-	-	(5,431)	(Note a)	Subsidiary
Chung Tsen Investment	Core-Flex	Cayman Islands	Holding company	USD 3,130,000	USD 3,130,000	3,130,000	1.39 %	2,436	16,184	(Note a)	Associate
Venture Orient	Tecpoint	B.V.I.	Holding company	USD 4,600,000	USD 4,600,000	4,600,000	9.83 %	USD 9,426,525	USD 1,653,278	(Note a)	Subsidiary
Tsen Ming Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of Electronic Components and Optics	77,035	77,035	4,099,886	3.60 %	123,514	(65,746)	(Note a)	Subsidiary
Tsen Ming Investment	Young Green Energy	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of Electronic Components, Battery, Computer and its Peripheral Devices and Electronic Material	26,379	26,379	2,449,729	13.00 %	26,325	(2,756)	(Note a)	Subsidiary
Tsen Ming Investment	Optoma	Taipei City, Taiwan	Engaged in the production and marketing of Data Storage and Processing Equipment, Electronic Components, Optical Devices, Wireless Communications Equipment and Electronic Appliances	-	52,625	-	-	-	(5,431)	(Note a)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	USD 1,718,289	USD 1,718,289	8,170,000	3.61 %	14,326	16,184	(Note a)	Associate
Young Green Energy	Boom Power	B.V.I.	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00 %	72,004	3,090	(Note a)	Associate
Young Optics	Masterview	B.V.I.	Holding company	USD 6,000,000	USD 6,000,000	6,000,000	100.00 %	2,197,865	7,294	(Note a)	Associate
Young Optics	Young Optics Inc. USA	USA	Operating maintenance services business	USD 50,000	USD 50,000	50,000	100.00 %	407	(65)	(Note a)	Associate
Young Optics	Aptek Optical	Hsinchu County, Taiwan	Manufacturing and selling of optics instruments and electronic components	298,140	298,140	9,250,000	92.50 %	60,363	(18,831)	(Note a)	Associate
Young Optics	Mejiro Genossen Inc.	JP	Researching, developing, manufacturing and selling of optics machines	JPY 96,850,908	JPY 96,850,908	2,970	99.00 %	24,880	(44)	(Note a)	Associate
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 30,611,135	USD 635,249	(Note a)	Associate
Masterview	Grace China	Cayman Islands	Holding company	USD 8,156,458	USD 8,156,458	8,156,458	100.00 %	USD 37,700,000	(USD 328,833)	(Note a)	Associate
Masterview	Young Optics (BD) LTD.	Bengal	Manufacturing of optics components	USD 1,000,000	USD 1,000,000	799,985	50.00 %	(USD 449,022)	(USD 233,506)	(Note a)	Associate
Masterview	Young Optics Europe GmbH	Germany	Manufacturing and selling of 3D printer	EUR 18,750	EUR 18,750	-	75.00 %	USD 28,535	USD 41,758	(Note a)	Associate
Grace China	Young Optics (BD) LTD.	Bengal	Manufacturing of optics components	USD 1,000,000	USD 1,000,000	799,985	50.00 %	(USD 449,022)	(USD 233,506)	(Note a)	Associate
Optoma	Dynamic Time	Cayman Islands	Holding company	USD 14,122,230	USD 14,122,230	14,856	100.00 %	1,515,372	(USD 511,251)	(Note a)	Associate

Note a: The share of profit/loss of associates were recognized by the holding company.

ATTACHMENT 6-3 (Names, locations and related information of investee companies as of March 31, 2017) (Not including investment in Mainland China)  
(The certain information is based on the unreviewed financial statements)  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Address	Main businesses and products	Initial Investment		Investment as of March 31, 2017			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Dynamic Time	Optoma Europe	U.K.	Marketing and after sales service of Optoma in European region	USD 2,451,350	USD 2,451,350	1,200,000	100.00 %	USD 19,161,023	GBP 167,310	(Note a)	Associate
Dynamic Time	Optoma USA	USA	Marketing and after sales service of Optoma in Americas region	USD 8,821,889	USD 8,821,889	825,000	100.00 %	USD 2,915,448	(USD 723,423)	(Note a)	Associate
Dynamic Time	Modern Smart	B.V.I.	Holding company	USD 1,200,000	USD 1,200,000	1,200,000	100.00 %	USD 3,541,663	(USD 36,616)	(Note a)	Associate
Dynamic Time	Optoma (China&HK) Ltd.	HK	Marketing and after sales service of Optoma in Hong Kong and the Asia-Pacific region	USD 309,546	USD 309,546	2,400,000	100.00 %	USD 479,467	HKD 660,122	(Note a)	Associate
Optoma Europe	Optoma Deutschland GmbH	Germany	Marketing and after sales service of Optoma in European region	EUR 958,000	EUR 958,000	-	100.00 %	GBP 1,731,691	EUR 47,989	(Note a)	Associate
Optoma Europe	Optoma France	France	Marketing and after sales service of Optoma in European region	GBP 67,376	GBP 67,376	-	100.00 %	GBP 493,311	(EUR 65,960)	(Note a)	Associate
Optoma Europe	Optoma Scandinavia. A.S.	Norway	Marketing and after sales service of Optoma in European region	GBP 8,260	GBP 8,260	100	100.00 %	GBP 555,855	NOK 70,079	(Note a)	Associate
Optoma Europe	Optoma Espana, S.L.	Spain	Marketing and after sales service of Optoma in European region	EUR 103,006	EUR 103,006	5,150,280	100.00 %	GBP 537,955	(EUR 685)	(Note a)	Associate
Optoma Europe	Optoma Benelux B.V.	Netherlands	Marketing and after sales service of Optoma in European region	EUR 18,000	EUR 18,000	18,000	100.00 %	GBP 625,030	EUR 29,607	(Note a)	Associate
Young Lighting Technology	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00 %	(488,658)	(52,933)	(Note a)	Associate
Young Lighting Limited	Young Lighting (HK)	HK	Holding company	USD 847,000	USD 847,000	847	100.00 %	USD 226,643	USD 533	(Note a)	Associate
Young Lighting Limited	YLG Limited	Samoa	Holding company	USD 3,060,000	USD 3,060,000	3,060,000	51.00 %	(USD 606,049)	(USD 142,664)	(Note a)	Associate
Young Lighting Limited	Brightbridge	Samoa	Holding company	USD 1	USD 1	29,500,000	100.00 %	(USD 9,001,757)	(USD 930,801)	(Note a)	Associate
Young Lighting Limited	Crystal Word	Samoa	Holding company	USD 1	USD 1	22,258,000	100.00 %	(USD 6,730,395)	(USD 702,019)	(Note a)	Associate
Coretronic System Engineering	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	(2,330)	USD 100,487	(Note a)	Associate
Coretronic System Engineering Limited	Coretronic System Engineering (HK)	HK	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	(USD 76,829)	USD 100,487	(Note a)	Associate

Note a: The share of profit/loss of associates were recognized by the holding company.

ATTACHMENT 7 (Investment in Mainland China as of March 31, 2017)  
(Except for Coretronic (Suzhou), the certain information is based on the unreviewed financial statements)  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2016	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2017	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of March 31, 2017	Accumulated inward remittance of earnings as of March 31, 2017
					Outflow	Inflow						
Coretronic Projection (Kunshan)	Digital projectors, LCD monitors and related components of the research and development, processing, manufacturing and sales of the company's products and engaged in after-sales maintenance services	\$ 1,525,064 (USD46,000,000)	Indirect investment from the third region (Greendale)	\$ 1,525,064 (USD46,000,000)	\$ -	\$ -	\$ 1,525,064 (USD46,000,000)	\$ 63,877	100.00%	\$ 63,877	\$ 4,080,208	\$ -
Technology Service (Kunshan)	LCD monitor maintenance and technical services	13,259 (USD400,000)	Indirect investment from the third region (Greendale)	13,259 (USD400,000)	-	-	13,259 (USD400,000)	311	100.00%	311	18,931	-
Vimax (Kunshan)	Design, research and development and production of projectors, sales of the company's own products and provide after sales maintenance services for self-produced and non-self-produced products	62,252 (USD1,800,000)	Indirect investment from the third region (Mat Limited)	62,252 (USD1,800,000)	-	-	62,252 (USD1,800,000)	31,988	100.00%	31,988	847,381	-
Coretronic (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	660,657 (USD20,000,000)	Indirect investment from the third region (Wisdom Success HK)	271,297 (USD8,000,000)	-	-	271,297 (USD8,000,000)	120,181	100.00%	120,181	3,103,158	-
Coretronic Optotech (Suzhou)	Research and development, manufacturing and processing optical components such as backlight module, LCD module, LCD TV and panel display. Sales of the company's own products and provide after-sales maintenance services	390,000 (USD 12,000,000)	Indirect investment from the third region (Wisdom Success HK)	-	-	-	-	34,105	100.00%	34,105	557,466	-
Coretronic (Shanghai)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide related after-sales maintenance services	257,829 (USD8,000,000)	Indirect investment from the third region (Bigshine HK)	95,254 (USD3,000,000)	-	-	95,254 (USD3,000,000)	(13,539)	100.00%	(13,539)	360,247	-
Coretronic (Nanjing)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide related after-sales maintenance services	160,883 (USD5,000,000)	Indirect investment from the third region (Investdragon HK)	96,263 (USD3,000,000)	-	-	96,263 (USD3,000,000)	(2,552)	100.00%	(2,552)	109,442	-
Coretronic Display (Suzhou)	Research and development, manufacturing panel modules and related components of the business, sales of the company's own production and provide related after-sales maintenance services	1,547,564 (USD51,758,000)	Indirect investment from the third region (Brightbridge and Crystal Word)	88,972 (USD2,967,283)	-	-	88,972 (USD2,967,283)	(50,839)	100.00%	(50,839)	(474,608)	-
Coretronic (Ningbo)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide related after-sales maintenance services	650,050 (USD20,000,000)	Indirect investment from the third region (Lead Bright HK)	151,490 (USD4,700,000)	-	-	151,490 (USD4,700,000)	10,151	100.00%	10,151	3,109,021	-
Young Bright Optical (Suzhou)	Research and development, processing, manufacturing backlight optical film products	1,178,240 (USD36,000,000)	Indirect investment from the third region (Core-Flex)	759,827 (USD23,260,000)	-	-	759,827 (USD23,260,000)	16,511	99.36%	16,405	304,138	-
Nano Precision (Suzhou)	Manufacture and sale of acrylic panels and light guide plate	426,839 (USD13,300,000)	Indirect investment from the third region (Great Pride HK)	330,478 (USD10,392,880)	-	-	330,478 (USD10,392,880)	37,010	100.00%	37,010	1,786,417	-
Nano Display (Suzhou)	Research and development, manufacturing backlight module related components, sales of the company's own products and provide related after-sales maintenance services	92,088 (USD2,800,000)	Indirect investment from the third region (Great Pride HK)	-	-	-	-	(405)	100.00%	(405)	202,044	-
Coretronic (Guangzhou)	Research and development, manufacturing backlight module related components, sales of the company's own products and provide related after-sales maintenance services	417,580 (USD13,000,000)	Indirect investment from the third region (Elite View HK)	29,020 (USD1,000,000)	-	-	29,020 (USD1,000,000)	10,804	100.00%	10,804	1,065,652	-
Nano Precision (Nanjing)	Manufacture and sale of acrylic panels and light guide plate	217,659 (USD6,800,000)	Indirect investment from the third region (Nano Precision)	119,025 (USD3,700,000)	-	-	119,025 (USD3,700,000)	(2,578)	100.00%	(2,578)	270,638	-
Nano Display (Guangzhou)	Research and development, processing, manufacture of liquid crystal display light guide plate, the sale of the company's products and provide related services	238,740 (USD7,800,000)	Indirect investment from the third region (Nano Display)	9,820 (USD308,797)	-	-	9,820 (USD308,797)	189	100.00%	189	407,698	-
YLG Optotech	Research and development, processing, manufacturing display components, sales of production for products and provide after-sales service	USD 6,000,000	Indirect investment from the third region (YLG Limited)	USD 3,060,000	-	-	USD 3,060,000	(4,123)	51.00%	(2,103)	(18,398)	-
Coretronic System Engineering (Shanghai)	Contractor in intelligent building engineering and provide related services to customers	USD 1,500,000	Indirect investment from the third region (Coretronic System Engineering HK)	USD 1,500,000	-	-	USD 1,500,000	3,066	100.00%	3,066	(2,330)	-
Boom Power Electronics (Suzhou)	Research and development, production and sales of cold cathode tube drive and related products	USD 1,000,000	Indirect investment from the third region (Boom Power)	USD 1,000,000	-	-	USD 1,000,000	3,100	100.00%	3,100	71,985	-

Accumulated investment in Mainland China as of March 31, 2017 (Note a), (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment
\$3,612,114 (USD110,418,960)	\$3,349,007 (USD 110,418,960)	\$12,501,095

Note a: To use historical currency rates.

Note b: The investment amounts in Flying Success had been not remitted to Coretronic Corporation in the event of liquidation in December, 2012, and related registration processes for Investment Commission, MOEA were not applicable.

Note c: To use the currency rate 1 USD = 30.33 NTD as of March 31, 2017.

ATTACHMENT 7-1 (Investment in Mainland China as of March 31, 2017)  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2017	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2017	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a)	Carrying value as of March 31, 2017 (Note a)	Accumulated inward remittance of earnings as of March 31, 2017
					Outflow	Inflow						
Young Optics (Kunshan)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	\$727,119 (USD 22,200,000) (Note c and Note d)	Indirect investment from the third region (Best Alpha and Grace China)	\$164,450 (USD 5,000,000)	\$ -	\$ -	\$164,450 (USD 5,000,000)	\$(9,253) (-USD 295,211)	100.00%	\$(9,253) (-USD 295,211)	\$1,304,941 (USD 43,024,757)	\$ -
Young Optics (Suzhou)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	33,951 (USD 1,000,000)	Indirect investment from the third region (Best Alpha)	33,951 (USD 1,000,000)	-	-	33,951 (USD 1,000,000)	21,955 (USD 707,721)	100.00%	21,955 (USD 707,721)	608,058 (USD 20,048,059)	990,407 (USD 20,235,299 and RMB 80,635,502) (Note b • e • f and g)

Accumulated investment in Mainland China as of March 31, 2017 (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment
\$198,401 (USD 6,000,000)	\$233,101 (USD 7,020,000)	\$2,030,046

Note a: The investments were fully consolidated in accordance with the Regulations.

Note b: To use historical currency rates.

Note c: Young Optics (Kunshan) invested USD 9,800 thousand through capitalization of earnings in 2007. Best Alpha Investments Limited invested USD 2,300 thousand.

Note d: Young Optics (Kunshan) invested USD 1,300 thousand through capitalization of earnings in April 2009. Grace China Investments Limited invested USD 824,850. Best Alpha Investments Limited invested USD 2,975,150.

Note e: Best Alpha Investments Limited received cash dividends amounted to USD 20,235,299 for distribution profits from Young Optics (Suzhou) in 2011 and had remitted it back to Young Optics.

Note f: Best Alpha Investments Limited received cash dividends amounted to RMB 27,691,452 and USD 4,509,641 for distribution profits from Young Optics (Suzhou) in 2014. The RMB 24,922,307 of them had been remitted back to Young Optics.

Note g: Best Alpha Investments Limited received cash dividends amounted to RMB 52,944,050 for distribution profits from Young Optics (Suzhou) in 2015 and had remitted it back to Young Optics.



ATTACHMENT7-2(Investment in Mainland China as of March 31, 2017)  
(The certain information is based on the unreviewed financial statements)  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2017	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2017	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a), (Note b)	Carrying value as of March 31, 2017	Accumulated inward remittance of earnings as of March 31, 2017
					Outflow	Inflow						
Daf International (ShangHai)	Marketing and after-sales service of Optoma's technology products in the Mainland China	\$ 38,412 (USD1,200,000)	Indirect investment from the third region (Modern Smart)	\$ 38,412 (USD1,200,000)	\$ -	\$ -	\$ 38,412 (USD1,200,000)	\$ (1,259) (RMB 259,557)	100.00%	\$ (1,259) (RMB 259,557)	\$ 65,837 RMB 14,976,320	\$ -

Accumulated investment in Mainland China as of March 31, 2017 (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment (Note c)
\$38,412 (USD1,200,000)	\$176,798 (USD5,900,000) (Note d)	\$663,753

Note a : The investment income (loss) were determined based on the following basis:

- 1.The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm.
- 2.The financial statements was certificated by the CPA of the parent company in Taiwan.
- 3.Other: The financial statements were not audited by the CPA.

Note b : To use historical currency rates.

Note c : Based on Regulations Governing the Approval of Investment or Technical Cooperation in Mainland Chian promulgated by Investment Commission, MOEA.

Note d : LIULI and LIULI(HK) had disposed the shares of Tou Ming Si Kao (Shanghai) on March 21, 2011. The related registration processes were completed on September 13, 2011, and reported to Investment Commission, MOEA. The investment amounts have no change when the amounts had been not remitted to Optoma.

## ATTACHMENT8 (Securities held as of March 31, 2017)

(The certain information is based on the unreviewed financial statements)

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

Investment company	Account item	Financial Product	Type	Contract expiry date	Contract amount	Book value	Fair value	Note
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	From Apr to Jul,2017	USD 111,000,000	\$ (75,388)	\$ (75,388)	Note a
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	Apr ,2017	USD 95,500,000	14,783	14,783	Note a
Coretronic Corporation	Hedging derivative financial assets (liabilities), current	Forward foreign exchange contract	Buying USD	From Apr to Dec,2017	USD 308,000,000	(330,424)	(330,424)	Note a
Coretronic Corporation	Hedging derivative financial assets (liabilities), current	Forward foreign exchange contract	Selling USD	From Apr to Dec,2017	USD 308,000,000	334,834	334,834	Note a
Young Lighting Technology	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	From Apr to Jul,2017	USD 71,000,000	(51,751)	(51,751)	Note b
Young Lighting Technology	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	Apr ,2017	USD 52,500,000	7,297	7,297	Note b
Young Lighting Technology	Hedging derivative financial assets (liabilities), current	Forward foreign exchange contract	Buying USD	From Apr to Dec,2017	USD 100,000,000	(81,381)	(81,381)	Note b
Young Lighting Technology	Hedging derivative financial assets (liabilities), current	Forward foreign exchange contract	Selling USD	From Apr to Dec,2017	USD 100,000,000	75,819	75,819	Note b
Coretronic (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From Apr to Jul,2017	USD 40,000,000	(5,460)	(5,460)	Note c
Nano Precision (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From Apr to Jul,2017	USD 12,000,000	(1,869)	(1,869)	Note d
Optoma	Financial assets (liabilities) at fair value through profit or loss, current	Forward cross currency contract	—	From Apr to May,2017	USD 20,500,000	(14,955)	(14,955)	Note e
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Sell GBP / Buy USD	From Apr to Jun,2017	USD 7,000,000	958	958	Note f
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buy GBP / Sell EUR	Apr ,2017	EUR 2,000,000	1,811	1,811	Note f
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Sell GBP / Buy USD	From Apr to Jun,2017	USD 6,500,000	(2,450)	(2,450)	Note f
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buy GBP / Sell EUR	From Apr to May,2017	EUR 6,000,000	(503)	(503)	Note f
Dynamic Time	Hedging derivative financial assets (liabilities), current	Forward foreign exchange contract	Sell GBP / Buy USD	Jun ,2017	GBP 3,500,000	(1,001)	(1,001)	Note g

Note a : Coretronic Corporation entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$33,954 thousand for the three months ended March 2017.

Note b : Young Lighting entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$11,840 thousand for the three months ended March 2017.

Note c : Coretronic (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$542 thousand for the three months ended March 2017.

Note d : Nano Precision (Suzhou) entered into forward foreign exchange contracts and acquired realized loss amounted to NT\$344 thousand for the three months ended March 2017.

Note e : Optoma entered into forward cross currency contracts and acquired realized loss amounted to NT\$13,985 thousand for the three months ended March 2017.

Note f : Optoma Europe entered into forward foreign exchange contracts and acquired realized loss amounted to NT\$6,984 thousand for the three months ended March 2017.

Note g : Dynamic Time entered into forward foreign exchange contracts and acquired realized loss amounted to NT\$932 thousand for the three months ended March 2017.

ATTACHMENT 9 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the three months ended March 31, 2017)  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Name of securities	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal				Ending Balance	
					Units / shares	Amount	Units / shares	Amount	Units / shares	Selling Price	Carrying Amount	Gain (Loss) from disposal (Note)	Units / shares	Amount
Young Optics (Kunshan)	RMB Structured Deposit of Liduoduo	Acquisition of debt investments with no active market-current	Shanghai Pudong Development Bank	-	-	\$ -	-	RMB 100,000,000	-	\$ -	RMB 100,000,000	RMB300,364	-	\$ -
Young Optics (Suzhou)	Yun Tong Fortune Increasing S Profits Financial Products	Financial assets at fair value through profit or loss, current	Bank of Communications	-	-	-	-	RMB 60,000,000	-	-	RMB 60,000,000	RMB392,427	-	-

Note : To be recognized in interest revenue.