

CORETRONIC CORPORATION AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
WITH
REPORT OF INDEPENDENT ACCOUNTANTS**

**FOR THE THREE MONTHS ENDED
MARCH 31, 2020 AND 2019**

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English Translation of a Report Originally Issued in Chinese

Review Report of Independent Accountants

To Coretronic Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Coretronic Corporation (the “Company”) and its subsidiaries as of March 31, 2020 and 2019, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2020 and 2019, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant subsidiaries were not reviewed by independent accountants. Those statements reflect total assets of NT\$16,731,496 thousand and NT\$14,967,361 thousand, represented 36.91% and 30.92% of the consolidated total assets, and total liabilities of NT\$3,269,038 thousand and NT\$2,372,197 thousand, represented 14.27% and 10.14% of the consolidated total liabilities as of March 31, 2020 and 2019, respectively; and total comprehensive income of NT\$(33,319) thousand and NT\$216,925 thousand, represented 12.89 % and 35.48% of the consolidated total comprehensive income for the three-month periods ended March 31, 2020 and 2019, respectively. As explained in Note 6(8), the financial statements of certain associates and joint ventures accounted for using equity method were not reviewed by independent accountants. Those associates and joint ventures under equity method amounted to NT\$22,890 thousand and NT\$0 as of March 31, 2020 and 2019, respectively. The related shares of gain (loss) from the associates and joint ventures under the equity method amounted to NT\$(102) thousand and NT\$0 for the three-month periods ended March 31, 2020 and 2019, respectively. The information related to above subsidiaries, and associates and joint ventures accounted for using equity method disclosed in Note 13 was also not reviewed by independent accountants.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, associates and joint ventures accounted for using equity method and the information been reviewed by independent accountants described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2020 and 2019, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 2020 and 2019, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Hsu, Hsin-Min

Chen, Chih-Chung

Ernst & Young, Taiwan
April 27, 2020

Notice to Readers

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

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of March 31, 2020, December 31, 2019, and March 31, 2019

(March 31, 2020 and 2019 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	March 31, 2020	%	December 31, 2019	%	March 31, 2019	%
Current assets							
Cash and cash equivalents	6(1)	\$ 19,906,179	43.91	\$ 20,161,863	40.88	\$ 19,145,038	39.55
Financial assets at fair value through profit or loss-current	6(2)	91,647	0.20	84,321	0.17	56,055	0.12
Hedging financial assets-current	6(3), 12	554	-	4,207	0.01	5,638	0.01
Notes receivables, net	6(5), 6(19)	45,777	0.10	41,467	0.08	40,850	0.09
Trade receivables, net	6(6), 6(19)	8,201,078	18.09	11,687,611	23.70	10,930,854	22.58
Trade receivables-related parties, net	6(6), 6(19), 7	140	-	201	-	1,689	-
Other receivables	8	323,859	0.71	252,722	0.51	388,679	0.80
Current tax assets	4, 6(24)	20,602	0.05	12,527	0.03	33,280	0.07
Inventories, net	6(7)	5,698,299	12.57	6,062,756	12.29	7,414,919	15.32
Prepayments		579,359	1.28	532,824	1.08	480,001	0.99
Other current assets		141,461	0.31	139,196	0.28	191,729	0.40
Total current assets		35,008,955	77.22	38,979,695	79.03	38,688,732	79.93
Non-current assets							
Financial assets at fair value through profit or loss-noncurrent	6(2)	35,701	0.08	35,412	0.07	35,544	0.07
Financial assets at fair value through other comprehensive income-noncurrent	6(4)	391,576	0.86	447,469	0.91	376,382	0.78
Investments accounted for using equity method (Unreviewed)	6(8)	22,890	0.05	22,934	0.05	-	-
Property, plant and equipment, net	6(9), 8	6,955,152	15.34	6,930,269	14.05	6,449,701	13.33
Right-of-use assets	6(20)	1,924,120	4.24	1,977,056	4.01	2,010,957	4.15
Investment property, net	6(10), 8	166,393	0.37	168,406	0.34	174,445	0.36
Intangible assets	6(11)	281,846	0.62	281,674	0.57	149,194	0.31
Deferred tax assets	4, 6(24)	336,734	0.74	303,144	0.61	295,866	0.61
Net defined benefit assets-noncurrent	6(15)	13,219	0.03	12,603	0.03	11,327	0.02
Other noncurrent assets	8	198,915	0.45	164,458	0.33	212,594	0.44
Total non-current assets		10,326,546	22.78	10,343,425	20.97	9,716,010	20.07
Total assets		\$ 45,335,501	100.00	\$ 49,323,120	100.00	\$ 48,404,742	100.00

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of March 31, 2020, December 31, 2019, and March 31, 2019

(March 31, 2020 and 2019 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	March 31, 2020	%	December 31, 2019	%	March 31, 2019	%
Current liabilities							
Short-term borrowings	6(12)	\$ 8,139,013	17.95	\$ 8,521,341	17.28	\$ 6,875,175	14.20
Financial liabilities at fair value through profit or loss-current	6(13)	49,562	0.11	153,107	0.31	12,057	0.02
Hedging financial liabilities-current	6(13), 12	-	-	-	-	6,297	0.01
Contract liabilities-current	6(18)	368,556	0.81	294,152	0.60	428,721	0.89
Notes payable		9,561	0.02	507	-	12,100	0.02
Accounts payable		6,218,275	13.72	8,441,190	17.11	7,462,182	15.42
Accounts payable-related parties	7	22,590	0.05	23,445	0.05	25,813	0.05
Other payables	7	3,970,252	8.76	4,092,358	8.30	3,865,198	7.99
Current tax liabilities	4, 6(24)	730,423	1.61	789,088	1.60	877,595	1.81
Provisions-current	6(16)	779,649	1.72	767,350	1.55	831,929	1.72
Lease liabilities-current	6(20)	317,145	0.70	335,921	0.68	327,299	0.68
Other current liabilities		412,443	0.91	453,986	0.92	550,561	1.14
Current portion of long-term borrowings	6(14)	13	-	6	-	164,685	0.34
Total current liabilities		21,017,482	46.36	23,872,451	48.40	21,439,612	44.29
Non-current liabilities							
Long-term borrowings	6(14)	183,421	0.40	183,427	0.37	246,250	0.51
Deferred tax liabilities	4, 6(24)	42,401	0.09	24,637	0.05	34,393	0.07
Lease liabilities-noncurrent	6(20)	1,414,563	3.12	1,439,424	2.92	1,435,294	2.97
Net defined benefit liabilities-noncurrent	6(15)	195,298	0.43	196,891	0.40	191,123	0.39
Other noncurrent liabilities		52,018	0.11	53,730	0.11	48,852	0.10
Total non-current liabilities		1,887,701	4.15	1,898,109	3.85	1,955,912	4.04
Total liabilities		22,905,183	50.51	25,770,560	52.25	23,395,524	48.33
Equity attributable to owners of the parent							
Share capital							
Common stock	6(17)	4,344,231	9.58	4,344,231	8.81	4,344,231	8.97
Capital surplus	6(17)	3,513,213	7.75	3,727,475	7.55	4,144,596	8.56
Retained earnings	6(17), 6(25)						
Legal reserve		3,774,564	8.33	3,774,564	7.65	3,572,543	7.38
Special reserve		2,469,437	5.46	2,469,437	5.01	2,483,647	5.13
Unappropriated retained earning		8,782,673	19.37	9,429,258	19.12	9,439,908	19.50
Total retained earnings		15,026,674	33.16	15,673,259	31.78	15,496,098	32.01
Other equity		(2,558,372)	(5.64)	(2,361,770)	(4.79)	(1,122,803)	(2.32)
Total equity attributable to owners of the parent		20,325,746	44.85	21,383,195	43.35	22,862,122	47.22
Non-controlling interests	6(17)	2,104,572	4.64	2,169,365	4.40	2,147,096	4.45
Total equity		22,430,318	49.49	23,552,560	47.75	25,009,218	51.67
Total liabilities and equity		\$ 45,335,501	100.00	\$ 49,323,120	100.00	\$ 48,404,742	100.00

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended March 31, 2020 and 2019
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Note	For three months ended March 31		For three months ended March 31	
		2020	%	2019	%
Net sales	6(18), 7	\$ 8,368,637	100.00	\$ 11,273,976	100.00
Operating costs	6(7), 6(11), 6(15), 6(20), 6(21), 7	7,044,474	84.18	9,432,835	83.67
Gross profit		1,324,163	15.82	1,841,141	16.33
Operating expenses	6(11), 6(15), 6(19), 6(20), 6(21)				
Selling expenses		413,211	4.94	457,950	4.06
General and administrative expenses		400,746	4.79	536,449	4.76
Research and development expenses		699,561	8.36	787,530	6.98
Total operating expenses		1,513,518	18.09	1,781,929	15.80
Operating income		(189,355)	(2.27)	59,212	0.53
Non-operating income and expenses					
Other income	6(22)	186,506	2.23	168,713	1.50
Other gains and losses	6(22)	90,797	1.08	50,999	0.45
Finance costs	6(22)	(86,605)	(1.03)	(97,550)	(0.87)
Share of (loss) gain of associates and joint ventures accounted for using equity method	6(8)	(102)	-	-	-
Total non-operating income and expenses		190,596	2.28	122,162	1.08
Income before income tax		1,241	0.01	181,374	1.61
Income tax expense	4, 6(24)	(59,497)	(0.71)	(80,646)	(0.72)
Net (loss) income		(58,256)	(0.70)	100,728	0.89
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Unrealized (loss) gain from equity instrument investments measured at fair value through other comprehensive income	6(23)	(56,517)	(0.68)	16,292	0.15
Income tax related to items that will not be reclassified subsequently to profit or loss	6(23), 6(24)	1,330	0.02	(83)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(23)	(144,998)	(1.73)	493,258	4.38
(Loss) Gain on hedging instruments	6(23)	-	-	856	-
Income tax related to items that may be reclassified subsequently to profit or loss	6(23), 6(24)	-	-	286	-
Other comprehensive (loss) income, net of tax		(200,185)	(2.39)	510,609	4.53
Total comprehensive (loss) income		\$ (258,441)	(3.09)	\$ 611,337	5.42
Net income (loss) for the periods attributable to :					
Shareholders of the parent	6(25)	\$ 5,049		\$ 94,106	
Non-controlling interests	6(17), 6(26)	\$ (63,305)		\$ 6,622	
Total comprehensive income (loss) for the periods attributable to :					
Shareholders of the parent		\$ (191,553)		\$ 585,121	
Non-controlling interests		\$ (66,888)		\$ 26,216	
Basic Earnings Per Share (in New Taiwan Dollars)	6(25)	\$ 0.01		\$ 0.22	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(25)	\$ 0.01		\$ 0.21	

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

CORETRONIC CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended March 31, 2020 and 2019

(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 or losses on financial assets measured at fair value through other comprehensive income (loss)	Gains or losses on hedging instruments				
Balance as of January 1, 2019	\$ 4,344,231	\$ 4,072,808	\$ 3,572,543	\$ 2,483,647	\$ 9,345,802	\$ (1,487,746)	\$ (125,341)	\$ (731)	\$ 22,205,213	\$ 2,060,440	\$ 24,265,653	
Acquisition or disposal of the interest of subsidiaries	-	62,242	-	-	-	-	-	-	62,242	34,984	97,226	
Changes in subsidiaries' ownership	-	9,546	-	-	-	-	-	-	9,546	(9,546)	-	
Net income for the three months ended March 31, 2019	-	-	-	-	94,106	-	-	-	94,106	6,622	100,728	
Other comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	473,664	16,209	1,142	491,015	19,594	510,609	
Total comprehensive income	-	-	-	-	94,106	473,664	16,209	1,142	585,121	26,216	611,337	
Increase of non-controlling interests	-	-	-	-	-	-	-	-	-	35,002	35,002	
Balance as of March 31, 2019	\$ 4,344,231	\$ 4,144,596	\$ 3,572,543	\$ 2,483,647	\$ 9,439,908	\$ (1,014,082)	\$ (109,132)	\$ 411	\$ 22,862,122	\$ 2,147,096	\$ 25,009,218	
Balance as of January 1, 2020	\$ 4,344,231	\$ 3,727,475	\$ 3,774,564	\$ 2,469,437	\$ 9,429,258	\$ (2,324,947)	\$ (36,823)	\$ -	\$ 21,383,195	\$ 2,169,365	\$ 23,552,560	
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	58	-	-	-	-	-	-	58	-	58	
Acquisition or disposal of the interest of subsidiaries	-	2,892	-	-	-	-	-	-	2,892	2,095	4,987	
Appropriation and distribution of 2019 earnings:												
Cash dividends	-	-	-	-	(651,634)	-	-	-	(651,634)	-	(651,634)	
Cash dividends distributed from capital surplus	-	(217,212)	-	-	-	-	-	-	(217,212)	-	(217,212)	
Net income (loss) for the three months ended March 31, 2020	-	-	-	-	5,049	-	-	-	5,049	(63,305)	(58,256)	
Other comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	(141,415)	(55,187)	-	(196,602)	(3,583)	(200,185)	
Total comprehensive income (loss)	-	-	-	-	5,049	(141,415)	(55,187)	-	(191,553)	(66,888)	(258,441)	
Increase (decrease) of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	
Balance as of March 31, 2020	\$ 4,344,231	\$ 3,513,213	\$ 3,774,564	\$ 2,469,437	\$ 8,782,673	\$ (2,466,362)	\$ (92,010)	\$ -	\$ 20,325,746	\$ 2,104,572	\$ 22,430,318	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2020 and 2019
(Amounts in thousands of New Taiwan Dollars)

Description	For the three months ended March 31		Description	For the three months ended March 31	
	2020	2019		2020	2019
Cash flows from operating activities :			Cash flows from investing activities :		
Net income before tax	\$ 1,241	\$ 181,374	Acquisition of financial assets at fair value through profit or loss	\$ -	\$ (15,415)
Adjustments for:			Acquisition of property, plant and equipment	(272,349)	(134,844)
The profit or loss items which did not affect cash flows:			Proceeds from disposal of property, plant and equipment	1,906	14,195
Expected credit loss (gain)	9,085	(36,893)	Acquisition of intangible assets	(32,601)	(17,047)
Depreciation (including investment property and right-of-use assets)	318,349	333,456	Increase in other noncurrent assets	(3,256)	(3,248)
Amortization (including other noncurrent assets)	28,535	26,376	Net cash used in investing activities	(306,300)	(156,359)
Interest expenses	86,605	97,550			
Interest income	(127,627)	(109,443)	Cash flows from financing activities:		
Gain on disposal of property, plant and equipment	(441)	(7,805)	(Decrease) increase in short-term borrowings	(382,328)	460,534
Gain on disposal of investments	(23)	-	Increase (decrease) in long-term borrowings	1	(41,380)
Share of gain of associates and joint ventures accounted for using equity method	102	-	Decrease in guarantee deposits	(195)	-
Net gain on financial assets and liabilities at fair value through profit or loss	(111,160)	(4,287)	Decrease in other noncurrent liabilities	(1,517)	(13,919)
Changes in operating assets and liabilities:			Cash payment for the principal portion of lease liabilities	(77,912)	(70,947)
Notes receivables	(4,310)	215,943	Proceed from disposal of subsidiaries' ownership (without a change of control)	5,104	95,467
Accounts receivables	3,477,698	2,460,952	Change in non-controlling interests	-	34,999
Accounts receivables-related parties	61	223	Net cash (used in) provided by financing activities	(456,847)	464,754
Other receivables	(40,055)	142,407			
Inventories	366,729	457,089	Effect of exchange rate changes on cash and cash equivalents	(117,114)	437,551
Prepayments	(46,535)	3,351			
Other current assets	(2,265)	(22,504)	Net (decrease) increase in cash and cash equivalents	(255,684)	1,918,988
Other operating assets	(37,944)	-	Cash and cash equivalents at the beginning of the period	20,161,863	17,226,050
Contract liabilities	74,404	75,193	Cash and cash equivalents at the end of the period	\$ 19,906,179	\$ 19,145,038
Notes payables	9,054	12,100			
Accounts payables	(2,222,915)	(1,809,944)			
Accounts payables-related parties	(855)	(14,609)			
Other payables	(989,889)	(694,098)			
Provisions-current	12,299	5,138			
Other current liabilities	(41,543)	6,677			
Net defined benefit assets/liabilities	(2,209)	(2,251)			
Cash generated from operating activities	756,391	1,315,995			
Interest received	96,545	89,227			
Interest paid	(87,626)	(98,016)			
Income tax paid	(140,733)	(134,164)			
Net cash provided by operating activities	624,577	1,173,042			

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, 2020 and 2019

(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 27, 2020.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

- (1) The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2020. The nature and the impact of each new standard and amendment have no material effect on the Group .
- (2) Standards or interpretations issued by International Accounting Standards Board (“IASB”) and endorsed by FSC, but not yet adopted by the Group as at the end of reporting period are listed below:

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 3	Amendment to Business Combinations-Definition of a Business	January 1, 2020
IAS 1 and IAS 8	Amendment to Disclosure Initiative-Definition of Material	January 1, 2020
IFRS 9, IAS 39, and IFRS 7	Amendment to Interest Rate Benchmark Reform	January 1, 2020

Definition of a Business (Amendments to IFRS 3)

The amendments clarify the definition of a business in IFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. IFRS 3 continues to adopt a market participant’s perspective to determine whether an acquired set of activities and assets is a business. The amendments clarify the minimum requirements for a business; add guidance to help entities assess whether an acquired process is substantive; and narrow the definitions of a business and of outputs; etc.

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

Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7

The amendments include a number of exceptions, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is directly affected if the interest rate benchmark reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. Hence, the entity shall apply the exceptions to all hedging relationships directly affected by the interest rate benchmark reform.

The amendments include:

A. highly probable requirement

When determining whether a forecast transaction is highly probable, an entity shall assume that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the interest rate benchmark reform.

B. prospective assessments

When performing prospective assessments, an entity shall assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform.

C. IAS 39 retrospective assessment

An entity is not required to undertake the IAS 39 retrospective assessment (i.e. the actual results of the hedge are within a range of 80–125%) for hedging relationships directly affected by the interest rate benchmark reform.

D. separately identifiable risk components

For hedges of a non-contractually specified benchmark component of interest rate risk, an entity shall apply the separately identifiable requirement only at the inception of such hedging relationships.

The amendments also include the end of application of the exceptions requirements and the related disclosures requirements of the amendments.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC for annual periods beginning on or after January 1, 2020. As the Group is currently determining the potential impact of the standards and interpretations listed apart from the above items, the remaining standards and interpretations have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB but not yet endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below :

Standards or Interpretations	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 10 and IAS 28	Amendment to “Consolidated Financial Statements” and “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB

CORETRONIC CORPORATION AND SUBSIDIARIES
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Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 17	Insurance Contracts	January 1, 2021
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2022

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

The abovementioned standards and interpretations issued by IASB have not yet been recognized by FSC, and the local effective dates are to be determined by FSC. All 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, 2020 and 2019 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.

(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;

CORETRONIC CORPORATION AND SUBSIDIARIES
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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 CORE 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 group, 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.

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, 2020	December 31, 2019	March 31, 2019
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%

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Subsidiary	Relationship	Business nature	Percentage of Ownership		
			March 31, 2020	December 31, 2019	March 31, 2019
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 components. The joint ventures also provide after sales services.	100.00%	100.00%	100.00%
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 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 products.	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 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%

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Subsidiary	Relationship	Business nature	Percentage of Ownership		
			March 31, 2020	December 31, 2019	March 31, 2019
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 R&D, production and after sales services of electronic components, optical modules and components.	39.70%	39.77%	43.20%
Young Lighting Limited(YLL) and its subsidiaries(Note)	Subsidiary	YLL is a holding company and invests in Mainland China. YLL's joint ventures are the R&D, production, manufacturing and marketing of backlight module, touch module, LCD module, other optical components and lighting application. YLL'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.	100.00%	100.00%	100.00%
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, 2020	December 31, 2019	March 31, 2019
Coretronic Intelligent Cloud Service Corporation (“CICS”) and its subsidiaries	Subsidiary	CICS is engaged in intelligent cloud, IT information, intelligent applications of new media and platform development. CICS’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 business expansion.	100.00%	100.00%	100.00%
uCare Medical Electronics Co., Ltd. (“UCM”)	Subsidiary	UCM is engaged in the R&D, design, production and marketing of intelligent exercise and medical care related software and hardware products.	60.69%	60.69%	60.69%
Champ Vision Display Inc. (“CVD”)	Subsidiary	CVD is engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	80.00%	80.00%	80.00%
Calibre UK Ltd.	Subsidiary	CAL is engaged in R&D, design, production and marketing of image processing products.	100.00%	100.00%	100.00%
InnoSpectra Corporation (“ISC”)	Subsidiary	ISC is engaged in R&D and marketing of near-infrared spectrum and corresponding solutions.	80.00%	80.00%	80.00%
Coretronic Intelligent Robotics Corporation (“CIRC”)	Subsidiary	CIRC is engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	100.00%	100.00%	100.00%

CORETRONIC CORPORATION AND SUBSIDIARIES
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Subsidiary	Relationship	Business nature	Percentage of Ownership		
			March 31, 2020	December 31, 2019	March 31, 2019
Coretronic MEMS Corporation ("CMC")	Subsidiary	CMC is engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	100.00%	100.00%	-
Coretronic Reality Inc. ("CRI")	Subsidiary	CRI is engaged in R&D, and marketing of AR (Augmented reality) and MR (Mixed reality) wearable display solutions.	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) uCare Medical Electronics Co., Ltd ("UCM") increase the capital by cash to attract the strategic investor in February 2019. The ownership percentage of UCM held by CORE decreased to 60.69%.
- (b) As part of a business strategy, Great Pride (HK) transferred its shareholdings in Suzhou Nano Display to Coretronic (Suzhou) in June 2019. The ownership percentage of Suzhou Nano Display held by CORE remains at the same 100%.
- (c) CORE made an investment to establish 100% held subsidiary Coretronic MEMS Corporation ("CMC") and had completed registration of establishment in September 2019. CMC has been fully consolidated since the investment date.
- (d) CORE made an investment to establish 100% held subsidiary Coretronic Reality Inc. ("CRI") and had completed registration of establishment in November 2019. CRI has been fully consolidated since the investment date.

The financial statements of certain consolidated subsidiaries listed above had not been reviewed by independent accountants. Including total assets amounted to NT\$16,731,496 thousand, and NT\$14,967,361 thousand, total liabilities amounted to NT\$3,269,038 thousand and NT\$2,372,197 thousand as of March 31, 2020 and 2019. The related total comprehensive income amounted to NT\$(33,319) thousand and NT\$216,925 thousand for the three month periods ended March 31, 2020 and 2019, respectively.

- (4) Apart from the accounting policies which are described below, the same accounting policies of consolidation have been applied in the Group's consolidated financial statements as those applied in the Group's consolidated financial statements for the year ended December 31, 2019. For the summary of significant accounting policies, please refer to the Group's consolidated financial statements for the year ended December 31, 2019.

CORETRONIC CORPORATION AND SUBSIDIARIES
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(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. The average annual effective income tax rate is estimated by current income tax expenses only. Deferred income tax is recognized and measured according to IAS 12 "Income Tax" and follows the same accounting policies of the Group's annual consolidated financial statements. When income tax rate changes occur in interim period, the effect on deferred income tax is recognized in profit or loss, other comprehensive income or equity at once.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The same significant accounting judgments, estimates and assumptions have been followed in the preparation of CORE's consolidated financial statements for the year ended December 31, 2019. Please refer to the consolidated financial statements for the year ended December 31, 2019 for the summary of significant accounting judgments, estimates and assumptions.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	March 31, 2020	December 31, 2019	March 31, 2019
Cash on hand, savings and checking accounts	\$3,691,895	\$3,230,100	\$3,911,753
Time deposits	16,214,284	16,931,763	15,173,285
Cash Equivalents	-	-	60,000
Total	<u>\$19,906,179</u>	<u>\$20,161,863</u>	<u>\$19,145,038</u>

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

	March 31, 2020	December 31, 2019	March 31, 2019
Financial assets designated at fair value through profit or loss:			
Derivative not designated as hedging instruments			
Forward foreign exchange contracts	\$91,647	\$83,296	\$55,641
Forward cross currency contracts	-	1,025	414
Subtotal	91,647	84,321	56,055
Stocks	35,701	35,412	20,134
Convertible bond	-	-	15,410
Total	<u>\$127,348</u>	<u>\$119,733</u>	<u>\$91,599</u>
Current	\$91,647	\$84,321	\$56,055
Noncurrent	35,701	35,412	35,544
Total	<u>\$127,348</u>	<u>\$119,733</u>	<u>\$91,599</u>

Financial assets at fair value through profit and loss were not pledged. Please refer to Note 12 for more detail.

(3) Hedging Financial Assets

	March 31, 2020	December 31, 2019	March 31, 2019
Hedging financial assets			
Forward foreign exchange contracts	\$554	\$4,207	\$5,638
Current	\$554	\$4,207	\$5,638
Noncurrent	-	-	-
Total	<u>\$554</u>	<u>\$4,207</u>	<u>\$5,638</u>

Hedging financial assets were not pledged. Please refer to Note 12 for more detail.

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(4) Financial Assets at Fair Value through Other Comprehensive Income

	March 31, 2020	December 31, 2019	March 31, 2019
Equity instruments investments measured at fair value through other comprehensive income-noncurrent			
Unlisted companies stocks	\$391,576	\$447,469	\$376,382

Financial assets at fair value through other comprehensive income were not pledged.

(5) Notes Receivables

	March 31, 2020	December 31, 2019	March 31, 2019
Notes Receivable - arose from operating activities	\$45,777	\$41,467	\$40,850

Notes receivables were not pledged.

The Group adopted IFRS 9 for impairment assessment. Please refer to Note 6(19) for more details on accumulated impairment and refer to Note 12 for more details on credit risk disclosure.

(6) Trade Receivables and Trade Receivables-Related Parties

	March 31, 2020	December 31, 2019	March 31, 2019
Trade receivable	\$8,250,724	\$11,728,918	\$11,079,473
Less: allowance for doubtful accounts	(49,646)	(41,307)	(148,619)
Subtotal	8,201,078	11,687,611	10,930,854
Trade receivables for related parties	140	201	1,689
Total	\$8,201,218	\$11,687,812	\$10,932,543

Trade receivables were not pledged.

Trade receivables are generally on 30-150 day terms. The total carrying amount for periods ended March 31, 2020, December 31, 2019, and March 31, 2019, are NT\$8,296,641 thousand, NT\$11,770,586 thousand and NT\$11,122,012 thousand, respectively. Please refer to Note 6(19) for more details on impairment of trade receivables. Please refer to Note 12 for more details on credit risk management.

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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. As of March 31, 2020, December 31, 2019 and March 31, 2019, the Group has no outstanding discounted trade receivables which were deducted from trade receivables. The credit line of factoring contracts provided by CTBC Bank are US\$40,000 thousand, US\$40,000 thousand, and US\$80,000 thousand, respectively.

(7) Inventories

	March 31, 2020	December 31, 2019	March 31, 2019
Raw materials and supplies	\$3,198,101	\$3,218,963	\$4,187,916
Work in process	547,639	131,651	771,652
Finished goods	1,952,559	2,712,142	2,455,351
Total	<u>\$5,698,299</u>	<u>\$6,062,756</u>	<u>\$7,414,919</u>

The cost of inventories recognized in expenses amounted to NT\$7,044,474 thousand and NT\$9,432,835 thousand for the three months ended March 31, 2020 and 2019, including the write-down of inventories and obsolescence loss of NT\$39,415 thousand and NT\$50,034 thousand, respectively.

The allowance write-down of inventories amounted to NT\$718,149 thousand, NT\$670,061 thousand and NT\$661,342 thousand as of March 31, 2020, December 31, 2019, and March 31, 2019, respectively.

No inventories were pledged.

(8) Investments Accounted for Using Equity Method

Details of investments accounted for using equity method are as follows:

Investees	March 31, 2020	
	Carrying Amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD("EOE")	\$22,890	20.00%
Genejet Biotech Co., Ltd. ("Genejet")	-	19.51%
	<u>\$22,890</u>	

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Investees	December 31, 2019	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD("EOE")	\$22,934	20.00%
Genejet Biotech Co., Ltd. ("Genejet")	-	19.51%
	<u>\$22,934</u>	

Investees	March 31, 2019	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Genejet Biotech Co., Ltd. ("Genejet")	<u>\$-</u>	19.51%

In May 2019, the Group invested NT\$22,000 thousand in EOE and acquired 20.00% of the shareholdings. The Group accounted it for using the equity method. The investment of EOE is not significant to the Group.

The Group recognized share of gain (loss) of associates and joint ventures accounted for using equity method in the amount of NT\$(102) thousand and NT\$0 thousand for the three month ended March 31, 2020 and 2019, which were evaluated on the investees' unreviewed financial statements.

The abovementioned associates had no contingent liabilities or capital commitments as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively. No investments accounted for using equity method held by the Group was pledged to others.

(9) Property, Plant and Equipment

Property, plant and equipment for own-use

	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Lease assets	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:										
As of January 1, 2020	\$39,192	\$7,008,069	\$4,974,961	\$451,454	\$44,155	\$-	\$714,600	\$1,700,497	\$903,758	\$15,836,686
Additions	-	21,032	7,317	11,292	-	-	1,629	11,646	225,725	278,641
Disposals	-	(326,591)	(32,565)	(761)	-	-	(4,678)	(5,537)	-	(370,132)
Transfers	-	154,249	6,075	9,519	-	-	-	499	(170,221)	121
Exchange differences	(690)	(20,555)	(21,353)	(2,480)	(296)	-	(4,092)	(9,259)	(4,186)	(62,911)
As of March 31, 2020	<u>\$38,502</u>	<u>\$6,836,204</u>	<u>\$4,934,435</u>	<u>\$469,024</u>	<u>\$43,859</u>	<u>\$-</u>	<u>\$707,459</u>	<u>\$1,697,846</u>	<u>\$955,076</u>	<u>\$15,682,405</u>

(Continued)

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

(To be continued)

	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Lease assets	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
As of January 1, 2019	\$39,046	\$6,964,402	\$5,375,501	\$467,059	\$43,147	\$2,322	\$828,149	\$1,740,256	\$312,192	\$15,772,074
Effects of retrospective application and restatement	-	-	-	-	-	(2,322)	-	-	-	(2,322)
Additions	-	10,689	30,384	6,637	950	-	1,622	49,590	38,480	138,352
Disposals	-	(3,406)	(140,183)	(8,030)	(1,001)	-	(6,486)	(51,333)	-	(210,439)
Transfers	-	3,780	62,130	(39)	419	-	317	6,710	(173,008)	(99,691)
Exchange differences	415	69,903	85,844	8,227	947	-	17,795	30,873	3,487	217,491
As of March 31, 2019	<u>\$39,461</u>	<u>\$7,045,368</u>	<u>\$5,413,676</u>	<u>\$473,854</u>	<u>\$44,462</u>	<u>\$-</u>	<u>\$841,397</u>	<u>\$1,776,096</u>	<u>\$181,151</u>	<u>\$15,815,465</u>
Depreciation and Impairment:										
As of January 1, 2020	\$-	\$3,348,812	\$3,205,707	\$341,641	\$35,710	\$-	\$601,131	\$1,373,416	\$-	\$8,906,417
Depreciation	-	74,766	109,191	9,074	902	-	6,235	31,451	-	231,619
Disposals	-	(326,591)	(31,731)	(759)	-	-	(4,049)	(5,537)	-	(368,667)
Transfers	-	-	1	40	-	-	1	-	-	42
Exchange differences	-	(12,841)	(16,511)	(1,944)	(266)	-	(2,649)	(7,947)	-	(42,158)
As of March 31, 2020	<u>\$-</u>	<u>\$3,084,146</u>	<u>\$3,266,657</u>	<u>\$348,052</u>	<u>\$36,346</u>	<u>\$-</u>	<u>\$600,669</u>	<u>\$1,391,383</u>	<u>\$-</u>	<u>\$8,727,253</u>
As of January 1, 2019	\$-	\$3,131,339	\$3,527,821	\$371,322	\$35,864	\$2,069	\$695,710	\$1,456,637	\$-	\$9,220,762
Effects of retrospective application and restatement	-	-	-	-	-	(2,069)	-	-	-	(2,069)
Depreciation	-	78,625	120,326	8,501	948	-	10,839	32,096	-	251,335
Disposals	-	(3,150)	(138,110)	(8,014)	(615)	-	(5,997)	(48,163)	-	(204,049)
Transfers	-	-	(43,845)	(39)	-	-	(18)	(1,184)	-	(45,086)
Exchange differences	-	37,142	59,793	6,300	815	-	13,954	26,867	-	144,871
As of March 31, 2019	<u>\$-</u>	<u>\$3,243,956</u>	<u>\$3,525,985</u>	<u>\$378,070</u>	<u>\$37,012</u>	<u>\$-</u>	<u>\$714,488</u>	<u>\$1,466,253</u>	<u>\$-</u>	<u>\$9,365,764</u>
Net carrying amounts as of:										
March 31, 2020	<u>\$38,502</u>	<u>\$3,752,058</u>	<u>\$1,667,778</u>	<u>\$120,972</u>	<u>\$7,513</u>	<u>\$-</u>	<u>\$106,790</u>	<u>\$306,463</u>	<u>\$955,076</u>	<u>\$6,955,152</u>
December 31, 2019	<u>\$39,192</u>	<u>\$3,659,257</u>	<u>\$1,769,254</u>	<u>\$109,813</u>	<u>\$8,445</u>	<u>\$-</u>	<u>\$113,469</u>	<u>\$327,081</u>	<u>\$903,758</u>	<u>\$6,930,269</u>
March 31, 2019	<u>\$39,461</u>	<u>\$3,801,412</u>	<u>\$1,887,691</u>	<u>\$95,784</u>	<u>\$7,450</u>	<u>\$-</u>	<u>\$126,909</u>	<u>\$309,843</u>	<u>\$181,151</u>	<u>\$6,449,701</u>

The Group evaluated the economic benefits for property, plant and equipment, no impairment loss identified for the three months ended March 31, 2020 and 2019.

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

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(10) Investment Property

Investment property held by the group is for own-use. The Group signed the commercial property lease contracts with periods during 2 to 4 years, which include clauses to enable upward revision of the rental change on an annual base according to prevailing market conditions.

	<u>Buildings</u>
Cost:	
As of January 1, 2020	\$244,538
Additions from acquisitions	-
As of March 31, 2020	<u>\$244,538</u>
As of January 1, 2019	\$244,538
Additions from acquisitions	-
As of March 31, 2019	<u>\$244,538</u>
Depreciation and Impairment:	
As of January 1, 2020	\$76,132
Depreciation	2,013
As of March 31, 2020	<u>\$78,145</u>
As of January 1, 2019	\$68,079
Depreciation	2,014
As of March 31, 2019	<u>\$70,093</u>
Net carry amount as of:	
March 31, 2020	<u>\$166,393</u>
December 31, 2019	<u>\$168,406</u>
March 31, 2019	<u>\$174,445</u>

	<u>Three months ended March 31</u>	
	<u>2020</u>	<u>2019</u>
Rental income from investment property	\$4,514	\$4,424
Less: Direct operating expenses from investment property generating rental income	(2,013)	(2,014)
Total	<u>\$2,501</u>	<u>\$2,410</u>

Information about the investment property that was pledged to others as collaterals is provided in Note 8.

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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 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:

	March 31, 2020	December 31, 2019	March 31, 2019
Fair value of the investment property	\$219,800	\$219,800	\$222,400
Discount rates	4.095%	4.095%	4.095%
Growth rates	0.4%	0.4%	0.4%

(11) Intangible Assets

	Trade marks	Patents	Software	IPs	Goodwill	Other	Total
Cost:							
As of January 1, 2020	\$103,827	\$49,796	\$160,647	\$83,872	\$5,940	\$232,918	\$637,000
Additions	-	-	24,803	-	-	7,798	32,601
Transfers	-	-	(121)	-	-	-	(121)
Exchange differences	25	6	(267)	-	-	(7,403)	(7,639)
As of March 31, 2020	\$103,852	\$49,802	\$185,062	\$83,872	\$5,940	\$233,313	\$661,841
As of January 1, 2019	\$103,901	\$16,049	\$126,102	\$54,522	\$5,940	\$145,856	\$452,370
Additions	-	-	3,730	-	-	13,317	17,047
Disposals	-	-	(4,526)	-	-	-	(4,526)
Exchange differences	10	-	381	-	-	2,977	3,368
As of March 31, 2019	\$103,911	\$16,049	\$125,687	\$54,522	\$5,940	\$162,150	\$468,259
Amortization and Impairment:							
As of January 1, 2020	\$98,193	\$12,468	\$95,149	\$52,746	\$-	\$96,770	\$355,326
Amortization	890	1,977	8,012	981	-	16,140	28,000
Exchange differences	25	2	(252)	-	-	(3,106)	(3,331)
As of March 31, 2020	\$99,108	\$14,447	\$102,909	\$53,727	\$-	\$109,804	\$379,995
As of January 1, 2019	\$92,498	\$9,063	\$87,398	\$41,985	\$-	\$65,024	\$295,968
Amortization	941	289	6,597	4,528	-	13,913	26,268
Disposals	-	-	(4,526)	-	-	-	(4,526)
Exchange differences	3	-	337	-	-	1,015	1,355
As of March 31, 2019	\$93,442	\$9,352	\$89,806	\$46,513	\$-	\$79,952	\$319,065

(Continued)

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(To be continued)

	Trade marks	Patents	Software	IPs	Goodwill	Other	Total
Net carrying amount as of:							
March 31, 2020	\$4,744	\$35,355	\$82,153	\$30,145	\$5,940	\$123,509	\$281,846
December 31, 2019	\$5,634	\$37,328	\$65,498	\$31,126	\$5,940	\$136,148	\$281,674
March 31, 2019	\$10,469	\$6,697	\$35,881	\$8,009	\$5,940	\$82,198	\$149,194

Amortization expense of intangible assets:

	Three months ended March 31	
	2020	2019
Operating Cost	\$7,645	\$8,637
Selling expenses	4,056	1,981
General and administrative expense	2,393	6,428
Research and development expenses	13,906	9,222
Total	\$28,000	\$26,268

(12) Short-Term Borrowings

	March 31, 2020	December 31, 2019	March 31, 2019
Unsecured bank loans	\$8,139,013	\$8,521,341	\$6,875,175
Interest rates (%)	0.86%~2.96%	0.86%~2.74%	0.93%~3.29%

The Group's unused short-term lines of credits amounted to NT\$34,138,971 thousand, NT\$33,685,409 thousand, and NT\$31,733,960 thousand as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively.

(13) Derivative financial liabilities

Financial liabilities at fair value through profit or loss:

	March 31, 2020	December 31, 2019	March 31, 2019
Derivatives not designated as hedging instruments - current			
Forward exchange contracts	\$46,977	\$145,980	\$11,988
Forward cross currency contracts	2,585	7,127	69
Total	\$49,562	\$153,107	\$12,057

Hedging financial liabilities:

	March 31, 2020	December 31, 2019	March 31, 2019
Forward exchange contracts	\$-	\$-	\$6,297

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(14) Long-Term Borrowings

Details of long-term borrowings are as follows:

Lenders	March 31, 2020	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$58,334	1.20%	Effective from April 27, 2021. Principle is repaid in 2 quarterly payments.
Secured long-term borrowings from First bank	100	1.20%	Effective from December 20, 2020. Principle is repaid in 16 quarterly payments.
Secured long-term borrowings from Hua Nan Commercial bank	5,000	1.02%	Effective from July 25, 2021. Principle is repaid in 14 quarterly payments.
Secured long-term borrowings from Hua Nan Commercial bank	120,000	1.02%	Effective from July 25, 2021. Principle is repaid in 14 quarterly payments.
Less: current portion	(13)		
Total	<u>\$183,421</u>		

Lenders	December 31, 2019	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$58,333	1.35%	Effective from April 27, 2021. Principle is repaid in 2 quarterly payments.
Secured long-term borrowings from First bank	100	1.35%	Effective from December 20, 2020. Principle is repaid in 16 quarterly payments.
Secured long-term borrowings from Hua Nan Commercial bank	5,000	1.30%	Effective from July 25, 2021. Principle is repaid in 14 monthly payments.
Secured long-term borrowings from Hua Nan Commercial bank	120,000	1.30%	Effective from July 25, 2021. Principle is repaid in 14 monthly payments.
Less: current portion	(6)		
Total	<u>\$183,427</u>		

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Lenders	March 31, 2019	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$18,750	1.48%	Effective from October 27, 2017. Principle is repaid in 16 quarterly payments.
Secured long-term borrowings from First bank	391,667	1.38%	Effective from October 27, 2018. Principle is repaid in 12 quarterly payments.
Secured long-term borrowings from Lombard Co.	266	4.11%	Effective from July 8, 2015. Principle is repaid in 48 monthly payments.
Secured long-term borrowings from Lombard Co.	252	3.81%	Effective from January 5, 2017. Principle is repaid in 36 monthly payments.
Less: current portion	(164,685)		
Total	<u>\$246,250</u>		

The Group's unused long-term lines of credits amounted to NT\$1,216,567 thousand, NT\$1,216,567 thousand, and NT\$300,000 thousand as of March 31, 2020, December 31, 2019, and March 31, 2019, respectively.

(15) Post-Employment Benefits

Defined contribution plan

Pension expenses under the defined contribution plan for the three months ended March 31, 2020 and 2019 were NT\$75,719 thousand and NT\$95,654 thousand, respectively.

Defined benefits plan

Pension expenses under the defined benefits plan for the three months ended March 31, 2020 and 2019 were NT\$673 thousand and NT\$868 thousand, respectively.

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(16) Provisions

	<u>Warranties</u>
As of January 1, 2020	\$767,350
Arising during the period (reversed)	29,368
Utilized during the period	(14,272)
Exchange differences	(2,797)
As of March 31, 2020	<u>\$779,649</u>
Current	\$779,649
Non-current	-
As of March 31, 2020	<u>\$779,649</u>
	<u>Warranties</u>
As of January 1, 2019	\$826,791
Arising during the period (reversed)	55,385
Utilized during the period	(61,767)
Exchange differences	11,520
As of March 31, 2019	<u>\$831,929</u>
Current	\$831,929
Non-current	-
As of March 31, 2019	<u>\$831,929</u>

Warranties

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

(17) Equities

A. Common stock

CORE's authorized capital was NT\$10,000,000 thousand as of March 31, 2020, December 31, 2019, and March 31, 2019, respectively (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 divided into 434,423 thousand shares. Each share has one voting right and a right to receive dividends.

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B. Capital surplus

	March 31, 2020	December 31, 2019	March 31, 2019
Additional paid-in capital	\$2,700,154	\$2,917,366	\$3,569,001
Treasury Stock transactions	116,614	116,614	116,614
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	597,446	594,554	360,190
Changes in ownership interests in subsidiaries	98,791	98,791	98,791
Changes from investments in associates and joint ventures accounted for using the equity method	208	150	-
Total	\$3,513,213	\$3,727,475	\$4,144,596

According to the Company Act, the capital reserve shall not be used except for covering losses 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.

C. Retained earnings and dividend policies:

According to the 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.

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The company authorizes the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The company authorizes the distributable legal reserve and capital reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

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 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 serve 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.

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

Once upon 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.

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The special reserve of the first adoption of the TIFRS was reversed to unappropriated retained earnings because of the disposal of related assets for the the three months ended March 31, 2020 and 2019 were NT\$1,276,610 thousand and NT\$1,290,820 thousand, respectively.

Details of the 2019 and 2018 earning distribution and dividends per share as resolved respectively by the Board of Directors' meeting on March 16, 2020 and shareholders' meeting on June 13, 2019 are as follows :

	Appropriation of earnings		Dividends per share (NT\$)	
	2019	2018	2019	2018
Legal reserve	\$115,307	\$202,021		
Common stock -cash dividend (Note)	651,634	868,846	\$1.5	\$2

Note: The cash dividend distribution of 2019 has been approved by the Board of Directors' meeting on March 16, 2020.

In addition, the Board of Directors' meeting and shareholders' meeting resolved to distribute the paid-in capital in excess of par-common stock by cash in the amount of NT\$217,212 thousand, NT\$0.5 per share and NT\$651,635 thousand, NT\$1.5 per share in 2020 and 2019, respectively.

Please refer to Note 6(21) for further details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests:

	Three months ended March 31	
	2020	2019
Beginning balance	\$2,169,365	\$2,060,440
Profit attributable to non-controlling interests	(63,305)	6,622
Other comprehensive income (loss) attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	(3,583)	19,594
Acquisition or disposal of the interest of subsidiaries	2,095	34,984
Changes in subsidiaries' ownership	-	25,456
Ending balance	<u>\$2,104,572</u>	<u>\$2,147,096</u>

(18) Operating Income

	Three months ended March 31	
	2020	2019
Contract revenue from customers		
Sale of goods	\$8,046,502	\$11,009,841
Revenue arising from rendering of services	182,887	182,968
Other operating revenues	139,248	81,167
Total	<u>\$8,368,637</u>	<u>\$11,273,976</u>

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Analysis of contract revenue from customers during the periods is as follows:

A. Revenue of Segments

For the three months ended March 31, 2020

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other Segment	Elimination	Total
Sale of goods	\$4,121,341	\$2,860,211	\$628,801	\$678,633	\$(242,484)	\$8,046,502
Revenue arising from rendering of services	145,677	18,070	13,230	67,854	(61,944)	182,887
Other operating revenues	59,955	16,442	54,906	9,742	(1,797)	139,248
Total	<u>\$4,326,973</u>	<u>\$2,894,723</u>	<u>\$696,937</u>	<u>\$756,229</u>	<u>\$(306,225)</u>	<u>\$8,368,637</u>
The timing of revenue recognition:						
At a point in time	<u>\$4,326,973</u>	<u>\$2,894,723</u>	<u>\$696,937</u>	<u>\$756,229</u>	<u>\$(306,225)</u>	<u>\$8,368,637</u>

For the three months ended March 31, 2019

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other Segment	Elimination	Total
Sale of goods	\$5,297,773	\$3,878,640	\$1,233,530	\$918,236	\$(318,338)	\$11,009,841
Revenue arising from rendering of services	144,222	15,376	6,729	29,629	(12,988)	182,968
Other operating revenues	28,229	36,323	16,077	1,284	(746)	81,167
Total	<u>\$5,470,224</u>	<u>\$3,930,339</u>	<u>\$1,256,336</u>	<u>\$949,149</u>	<u>\$(332,072)</u>	<u>\$11,273,976</u>
The timing of revenue recognition:						
At a point in time	<u>\$5,470,224</u>	<u>\$3,930,339</u>	<u>\$1,256,336</u>	<u>\$949,149</u>	<u>\$(332,072)</u>	<u>\$11,273,976</u>

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B. Contract balance

Contract liabilities-current

	March 31, 2020	December 31, 2019	March 31, 2019	January 1, 2019
Sale of goods	\$254,722	\$196,044	\$334,184	\$241,829
Revenue arising from rendering of services	4,214	904	372	675
Other operating revenues	109,620	97,204	94,165	111,024
Total	<u>\$368,556</u>	<u>\$294,152</u>	<u>\$428,721</u>	<u>\$353,528</u>

C. Transaction price allocated to unsatisfied performance obligations

As of March 31, 2020 and 2019, there is no need to provide relevant information of the unsatisfied performance obligations as the contracts with customers about the sales of goods are all within one year.

D. Cost of Assets from acquire or performance of customer contracts.

None.

(19) Expected credit (gain) losses

	Three months ended March 31	
	2020	2019
Operating expenses – Expected credit losses (gain)		
Trade Receivables	<u>\$9,085</u>	<u>\$(36,893)</u>

The Group measures trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of March 31, 2020 and 2019 is as follows:

The Group needs to consider the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details as below:

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As of March 31, 2020

		Past due					
	Neither past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	Total
Gross carrying amount	\$7,387,063	\$702,158	\$104,724	\$44,317	\$8,339	\$50,040	\$8,296,641
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(712)	(3,113)	(9,215)	(546)	(36,060)	(49,646)
Subtotal	\$7,387,063	\$701,446	\$101,611	\$35,102	\$7,793	\$13,980	\$8,246,995

As of December 31, 2019

		Past due					
	Neither past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	Total
Gross carrying amount	\$11,124,945	\$530,593	\$36,962	\$17,895	\$12,360	\$47,831	\$11,770,586
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(796)	(1,796)	(2,241)	(2,593)	(33,881)	(41,307)
Subtotal	\$11,124,945	\$529,797	\$35,166	\$15,654	\$9,767	\$13,950	\$11,729,279

As of March 31, 2019

		Past due					
	Neither past due (Note)	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	Total
Gross carrying amount	\$9,912,941	\$993,981	\$54,372	\$25,638	\$6,138	\$128,942	\$11,122,012
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	(14,176)	(1,140)	(1,008)	(4,903)	(1,714)	(125,678)	(148,619)
Subtotal	\$9,898,765	\$992,841	\$53,364	\$20,735	\$4,424	\$3,264	\$10,973,393

Note: The Group recognized expected losses in the amount of NT\$14,176 thousand based on assessing certain accounts with significant credit risks.

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The movement of contract asset, note receivables and provision for impairment of trade receivables during the period is as follows:

	Provision for impairment
As of January 1, 2020 (IFRS 9)	\$41,307
Accrual for the current period	9,085
Write off	(496)
Exchange differences	(250)
As of March 31, 2020	<u>\$49,646</u>
	Provision for impairment
As of January 1, 2019 (IFRS 9)	\$181,700
Reversal for the current period	(36,893)
Exchange differences	3,812
As of March 31, 2019	<u>\$148,619</u>

(20) Leases

A. Group as lessee

The Group leases various property (land and buildings), machinery equipment, and transportation equipment. These leases have terms between one and fifty years.

The effects that leases have on the financial position, financial performance and cash flows of the Group are as follows:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	March 31, 2020	December 31, 2019	March 31, 2019
Land	\$1,333,233	\$1,327,891	\$1,164,845
Buildings	554,567	606,821	790,774
Machinery and equipment	-	233	435
Transportation equipment	35,657	41,340	54,267
Office fixtures	515	604	403
Other equipment	148	167	233
Total	<u>\$1,924,120</u>	<u>\$1,977,056</u>	<u>\$2,010,957</u>

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During the three-month periods ended March 31, 2020 and 2019, the additions to right-of-use assets of the Group amounted to NT\$41,407 thousand and NT\$6,580 thousand.

ii. Lease liability

	March 31, 2020	December 31, 2019	March 31, 2019
Lease liability			
Current	\$317,145	\$335,921	\$327,299
Non-current	1,414,563	1,439,424	1,435,294
Total	<u>\$1,731,708</u>	<u>\$1,775,345</u>	<u>\$1,762,593</u>

Please refer to Note 6(22)C for the interest on lease liability recognized during the three-month periods ended March 31, 2020 and 2019. Please refer to Note 12(5) for the maturity analysis for lease liabilities at March 31, 2020 and 2019.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	Three months ended March 31	
	2020	2019
Land	\$11,755	\$10,453
Buildings	67,623	64,378
Machinery and equipment	-	62
Transportation equipment	5,234	5,156
Office fixtures	84	37
Other equipment	21	21
Total	<u>\$84,717</u>	<u>\$80,107</u>

(c) Income and costs relating to leasing activities

	Three months ended March 31	
	2020	2019
The expense relating to short-term leases	\$14,545	\$16,335
The expense relating to leases of low-value assets (Not including the expense relating to short-term leases of low-value assets)	2,866	1,485
The expense relating to variable lease payments not included in the measurement of lease liabilities	22	3,965
Total	<u>\$17,433</u>	<u>\$21,785</u>

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(d) Cash outflow relating to leasing activities

During the three-month periods ended March 31, 2020 and 2019, the Group's total cash outflow for leases amounted to NT\$109,779 thousand and NT\$108,304 thousand.

(e) Other information relating to leasing activities

i. Variable lease payments

Some of the Group's building leases agreements contain variable payment terms that are linked to actual usage condition. The amount links to percentage of actual usage of underlying asset. The changes in variable lease payments are linked to actual usage and it is very common for entering contract with variable lease payments in the industry of the Group. As such variable lease payments do not meet the definition of lease payments, and those payments are not included in the measurement of the assets and liabilities.

ii. Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group's property rental agreement. In determining the lease term, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The Group would reassess the lease term when significant issue or change occur.

iii. Residual value guarantees

To optimize lease costs during the contract period, the Group doesn't provide residual value guarantees in relation to rental agreement. Residual value guarantees without counting in lease liability.

B. The Group as lessor

Please refer to Note 6(10) for details on the Group's owned investment properties and investment properties held by the Group as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

None of the financing lease contracts were signed.

	Three months ended March 31	
	2020	2019
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$9,496	\$9,118
Income relating to variable lease payments that do not depend on an index or a rate	-	-
Total	<u>\$9,496</u>	<u>\$9,118</u>

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Please refer to Note 6(10) for relevant disclosure of investment properties for operating leases which required by IFRS 16. For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining periods are as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Not later than one year	\$25,567	\$28,358	\$28,693
Later than one year but not later than two years	4,876	8,164	23,729
Later than two years but not later than three years	369	492	4,757
Later than three year but not later than four years	-	-	369
Total	<u>\$30,812</u>	<u>\$37,014</u>	<u>\$57,548</u>

(21) Summary Statement of Employee Benefits, Depreciation and Amortization Expenses by Function

	Three months ended March 31					
	2020			2019		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$739,053	\$1,012,423	\$1,751,476	\$841,567	\$1,140,884	\$1,982,451
Salaries	617,046	849,809	1,466,855	698,165	968,908	1,667,073
Labor and health insurance	27,845	76,583	104,428	33,632	83,876	117,508
Pension	28,650	47,742	76,392	46,419	50,103	96,522
Other employee benefits expense	65,512	38,289	103,801	63,351	37,997	101,348
Depreciation	219,751	91,238	310,989	241,537	84,467	326,004
Amortization	8,003	20,532	28,535	8,645	17,731	26,376

According to the Articles of Incorporation of the Company, 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 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.

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CORE accrued employees' compensation based on a specific rate of profit for the three months ended March 31, 2020 and 2019. The amounts of employees' compensation was NT\$727 thousand and NT\$16,107 thousand for the three months ended March 31, 2020 and 2019, respectively. 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.

A resolution was approved at a Board of Directors' meeting held on February 17, 2020 to distribute NT\$175,700 thousand in cash as employees' compensation. No material differences exist between the resolution and the estimated amount for the year ended December 31, 2019.

No material differences exist between the estimated amount and the actual distribution of the employee bonuses for the year ended December 31, 2018.

(22) Non-Operating Income and Expenses

A. Other income

	Three months ended March 31	
	2020	2019
Interest income		
Financial assets measured at amortized cost	\$127,627	\$109,443
Rental income	9,496	9,118
Other	49,383	50,152
Total	<u>\$186,506</u>	<u>\$168,713</u>

B. Other gains and losses

	Three months ended March 31	
	2020	2019
Gain on disposal of property, plant and equipment	\$441	\$7,805
Foreign exchange loss, net	(59,611)	(71,730)
Gain on financial assets (liabilities) at fair value through profit or loss (Note)	158,365	123,359
Gain on lease modifications	51	-
Gain on disposal of investments	23	-
Other loss	(8,472)	(8,435)
Total	<u>\$90,797</u>	<u>\$50,999</u>

Note: Balances were arising from financial assets mandatorily measured at fair value through profit or loss.

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C. Finance cost

	Three months ended March 31	
	2020	2019
Interest on borrowings from bank	\$73,218	\$81,978
Interest on lease liabilities	13,387	15,572
Total	<u>\$86,605</u>	<u>\$97,550</u>

(23) Components of Other Comprehensive Income

For the three months ended March 31, 2020

	Arising during the period	Income tax benefit (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	\$(56,517)	\$1,330	\$(55,187)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(144,998)	-	(144,998)
Total of other comprehensive income	<u>\$(201,515)</u>	<u>\$1,330</u>	<u>\$(200,185)</u>

For the three months ended March 31, 2019

	Arising during the period	Income tax benefit (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	\$16,292	\$(83)	\$16,209
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	493,258	-	493,258
Gain from hedging instruments	856	286	1,142
Total of other comprehensive income	<u>\$510,406</u>	<u>\$203</u>	<u>\$510,609</u>

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(24) Income Tax

The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	Three months ended March 31	
	2020	2019
Current income tax expense (income):		
Current income tax charge	\$73,230	\$70,082
Adjustments in respect of current income tax of prior periods	2,482	4,042
Deferred tax expense (income):		
Deferred tax (income) expense relating to origination and reversal of temporary differences	(116,726)	1,164
Deferred tax income relating to origination and reversal of tax loss and tax credit	(7,374)	(907)
Tax expense (income) recognized in the period for previously unrecognized tax loss, tax credit or temporary difference of prior periods	5,833	(2,636)
Deferred tax expense arising from write-down or reversal of write-down of deferred tax asset	102,052	8,901
Total income tax expense	<u>\$59,497</u>	<u>\$80,646</u>

Income tax relating to components of other comprehensive income

	Three months ended March 31	
	2020	2019
Deferred income tax income (expense):		
Gain on hedging instruments	\$-	\$286
Unrealized gain(loss) from equity instruments investments measured at fair value through other comprehensive income	1,330	(83)
Total	<u>\$1,330</u>	<u>\$203</u>

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The assessment of income tax returns

As of March 31, 2020 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 2016
TYO	Assessed and approved up to 2017
Optoma	Assessed and approved up to 2018
CGT	Assessed and approved up to 2018
Tsen Ming Investment Corp.	Assessed and approved up to 2018
YGE	Assessed and approved up to 2018
YLT	Assessed and approved up to 2017
Aptek Optical Corp.	Assessed and approved up to 2018
CICS	Assessed and approved up to 2017
CVC	Assessed and approved up to 2018
UCM	Assessed and approved up to 2018
ISC	Assessed and approved up to 2018
CVD	Assessed and approved up to 2017
CIRC	Assessed and approved up to 2018
CRI	Established in 2019 and undeclared
CMC	Established in 2019 and undeclared

(25) Earnings Per Share

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

Diluted earnings per share amounts are 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 period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<u>Three months ended March 31</u>	
	<u>2020</u>	<u>2019</u>
A. Basic earnings per share		
Profit attributable to ordinary shareholders of the parent (in thousand NT\$)	<u>\$5,049</u>	<u>\$94,106</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>434,423</u>	<u>434,423</u>
Basic earnings per share (NT\$)	<u>\$0.01</u>	<u>\$0.22</u>

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	Three months ended March 31	
	2020	2019
B. Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	\$5,049	\$94,106
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	434,423	434,423
Effect of dilution:		
Employee Bonus—stock (in thousand)	3,083	6,563
Weighted average number of ordinary shares outstanding after dilution (in thousand)	437,506	440,986
Diluted earnings per share (NT\$)	\$0.01	\$0.21

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.

(26) 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, 2020	December 31, 2019	March 31, 2019
Young Optics Inc.	Taiwan	60.30%	60.23%	56.80%
		March 31, 2020	December 31, 2019	March 31, 2019
Accumulated balance of material non-controlling interests				
Young Optics, Inc.		\$2,006,143	\$2,059,303	\$2,034,065

	Three months ended March 31	
	2020	2019
Profit allocated to material non-controlling interest		
Young Optics, Inc.	\$(51,418)	\$2,712

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

Summarized information of profit or loss for the three months ended March 31, 2020:

	<u>Young Optics Inc.</u>
Operating revenue	\$696,937
Gain for the period from continuing operations	(85,286)
Total comprehensive income for the period	(91,642)

Summarized information of profit or loss for the three months ended March 31, 2019:

	<u>Young Optics Inc.</u>
Operating revenue	\$1,256,336
Gain for the period from continuing operations	4,763
Total comprehensive income for the period	43,752

Summarized information of financial position as of March 31, 2020:

	<u>Young Optics Inc.</u>
Current assets	\$2,712,692
Non-current assets	3,191,927
Current liabilities	(1,946,606)
Non-current liabilities	(636,838)

Summarized information of financial position as of December 31, 2019:

	<u>Young Optics Inc.</u>
Current assets	\$2,983,426
Non-current assets	3,200,759
Current liabilities	2,125,429
Non-current liabilities	645,939

Summarized information of financial position as of March 31, 2019:

	<u>Young Optics Inc.</u>
Current assets	\$3,101,166
Non-current assets	2,997,709
Current liabilities	(1,782,673)
Non-current liabilities	(741,280)

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Summarized cash flow information for the three months ended March 31, 2020:

	<u>Young Optics Inc.</u>
Operating activities	\$137,752
Investing activities	(88,102)
Financing activities	14,504
Net increase in cash and cash equivalents	55,158

Summarized cash flow information for the three months ended March 31, 2019:

	<u>Young Optics Inc.</u>
Operating activities	\$292,626
Investing activities	(80,073)
Financing activities	(103,810)
Net increase in cash and cash equivalents	144,196

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. (“DongGuan Guan Zhi”)	Associate of Joint Venture
Etergo Opto-Electronics Co., LTD (“EOE”)	Associate
Chi Hua Fitness Co., LTD. (“CHI HUA”)	Substantive related party

(2) Significant transactions with related parties

A. Sales

	<u>Three months ended March 31</u>	
	<u>2020</u>	<u>2019</u>
DongGuan Guan Zhi	\$142	\$2,935
CHI HUA	4	-
Total	<u>\$146</u>	<u>\$2,935</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	
	2020	2019
Gunze	\$26,182	\$50,505
EOE	11,129	-
DongGuan Guan Zhi	46	-
Total	<u>\$37,357</u>	<u>\$50,505</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. Trade Receivables-Related Parties

	March 31, 2020	December 31, 2019	March 31, 2019
DongGuan Guan Zhi	<u>\$140</u>	<u>\$201</u>	<u>\$1,689</u>

D. Accounts Payable to Related Parties

	March 31, 2020	December 31, 2019	March 31, 2019
Gunze	\$13,671	\$14,386	\$25,813
EOE	8,874	9,041	-
DongGuan Guan Zhi	45	18	-
Total	<u>\$22,590</u>	<u>\$23,445</u>	<u>\$25,813</u>

E. Other Payable to Related Parties

	March 31, 2020	December 31, 2019	March 31, 2019
EOE	<u>\$7,565</u>	<u>\$8,378</u>	<u>\$-</u>

F. Others

For the three month ended March 31, 2020, the Group purchased molds from EOE amounted to NT\$6,632 thousand.

G. Key Management Personnel Compensation

	Three months ended March 31	
	2020	2019
Short-term employee benefits	\$27,942	\$43,261
Post-employment benefits	441	388
Total	<u>\$28,383</u>	<u>\$43,649</u>

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8. Assets Pledged As Collateral

The following assets of the Group pledged as collateral:

Assets pledged as collateral	Carrying amount			Purpose of pledge
	March 31, 2020	December 31, 2019	March 31, 2019	
Land	\$12,538	\$13,249	\$13,500	Collateral for long-term borrowings
Buildings (including investment property)	868,983	879,427	757,115	Collateral for long-term borrowings
Time deposits (shown as "Other receivables")	30,635	30,170	55,130	Lease execution deposits
Time deposits (shown as "Other noncurrent assets")	20,776	20,773	20,773	Lease execution deposits
Time deposits (shown as "Other receivables")	2,066	2,066	2,050	Customs import guarantee
Bank deposits (Shown as "Other receivables")	9,067	8,994	9,246	Derivative execution deposits
Time deposits (shown as "Other noncurrent assets")	1,075	1,075	1,066	Customs import guarantee
Bank deposits (Shown as "Other receivables")	858	851	2,966	Export tax guarantee
Time deposits (shown as "Other receivables")	-	-	1,472	Subsidy performance guarantee
Total	<u>\$945,998</u>	<u>\$956,605</u>	<u>\$863,318</u>	

9. Commitments and Contingencies

Amounts available under unused letters of credit as of March 31, 2020 are NT\$17,829 thousand.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

None.

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12. Others

(1) Categories of Financial Instruments

<u>Financial assets</u>	March 31, 2020	December 31, 2019	March 31, 2019
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss	\$127,348	\$119,733	\$91,599
Financial assets at fair value through other comprehensive income	391,576	447,469	376,382
Financial assets measured at amortized cost (Note)	28,492,329	32,139,214	30,502,276
Hedging financial assets	554	4,207	5,638
Total	<u>\$29,011,807</u>	<u>\$32,710,623</u>	<u>\$30,975,895</u>
<u>Financial liabilities</u>	March 31, 2020	December 31, 2019	March 31, 2019
Financial liabilities at amortized cost:			
Short-term borrowings	\$8,139,013	\$8,521,341	\$6,875,175
Accounts payables (including related parties)	6,250,426	8,465,142	7,500,095
Other payables	3,970,252	4,092,358	3,865,198
Lease liability (including current and non current)	1,731,708	1,775,345	1,762,593
Long-term borrowings (including current portion)	183,434	183,433	410,935
Subtotal	<u>20,274,833</u>	<u>23,037,619</u>	<u>20,413,996</u>
Mandatorily measured at fair value through profit or loss-current			
Subtotal	<u>49,562</u>	<u>153,107</u>	<u>12,057</u>
Hedging financial liabilities-current	-	-	6,297
Total	<u>\$20,324,395</u>	<u>\$23,190,726</u>	<u>\$20,432,350</u>

Note: Including cash and cash equivalents(exclude cash on hand), notes receivables, trade receivables, and other receivables.

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(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.

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, 2020 and 2019 is decreased/increased by NT\$88,509 thousand and NT\$74,332 thousand, while equity is decreased/increased by NT\$241,205 thousand and NT\$251,567 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.

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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, 2020 and 2019 to decreased/increased by NT\$17,379 thousand and NT\$17,521 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.

For the three months ended March 31, 2020 and 2019, an increase/decrease of 1% in the price of the listed equity securities classified as equity instrument at fair value through profit or loss could have an impact of NT\$357 thousand and NT\$201 thousand on income attribute to the Group.

For the three months ended March 31, 2020 and 2019, an increase/decrease of 1% in the price of the listed equity securities classified as equity instrument at fair value through other comprehensive income could have an impact of NT\$3,916 thousand and NT\$3,764 thousand on the 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, 2020, December 31, 2019, and March 31, 2019, receivables from top ten customers represented 58% , 58% , and 58% 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.

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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.

Non-derivative financial liabilities

	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
As of March 31, 2020					
Borrowings	\$8,314,838	\$123,026	\$63,069	\$-	\$8,500,933
Accounts payables (including related parties)	6,250,426	-	-	-	6,250,426
Other payables (including related parties)	3,970,252	-	-	-	3,970,252
Lease liability	332,457	322,799	206,427	1,307,059	2,168,742
As of December 31, 2019					
Borrowings	\$8,540,858	\$115,050	\$72,363	\$-	\$8,728,271
Accounts payables (including related parties)	8,465,142	-	-	-	8,465,142
Other payables	4,092,358	-	-	-	4,092,358
Lease liability	353,002	350,621	204,781	1,308,061	2,216,465
As of March 31, 2019					
Borrowings	\$7,054,253	\$248,832	\$-	\$-	\$7,303,085
Accounts payables (including related parties)	7,500,095	-	-	-	7,500,095
Other payables	3,865,198	-	-	-	3,865,198
Lease liability	367,808	553,318	254,444	1,089,792	2,265,362

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Derivative financial liabilities

	Less than 1 year	1 to 3 years	Total
As of March 31, 2020			
Inflows	\$-	\$-	\$-
Outflows	49,562	-	49,562
Net	<u>\$49,562</u>	<u>\$-</u>	<u>\$49,562</u>
As of December 31, 2019			
Inflows	\$-	\$-	\$-
Outflows	153,107	-	153,107
Net	<u>\$153,107</u>	<u>\$-</u>	<u>\$153,107</u>
As of March 31, 2019			
Inflows	\$-	\$-	\$-
Outflows	18,354	-	18,354
Net	<u>\$18,354</u>	<u>\$-</u>	<u>\$18,354</u>

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

(6) Reconciliation of liabilities arising from financing activities:

Reconciliation of liabilities as of March 31, 2020:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Guarantee deposits received	Other liabilities- noncurrent	Total liabilities from financing activities
January 1, 2020	\$8,521,341	\$183,433	\$1,775,345	\$36,458	\$17,272	\$10,533,849
Cash flows	(382,328)	1	(77,912)	(195)	(1,517)	(461,951)
Additional leases	-	-	36,370	-	-	36,370
Exchange differences	-	-	(2,095)	-	-	(2,095)
March 31, 2020	<u>\$8,139,013</u>	<u>\$183,434</u>	<u>\$1,731,708</u>	<u>\$36,263</u>	<u>\$15,755</u>	<u>\$10,106,173</u>

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Reconciliation of liabilities as of March 31, 2019:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Guarantee deposits received	Other liabilities- noncurrent	Total liabilities from financing activities
January 1, 2019	\$6,414,641	\$452,299	\$1,812,953	\$38,069	\$24,702	\$8,742,664
Cash flows	460,534	(41,380)	(70,947)	(17,527)	3,608	334,288
Additional leases	-	-	6,580	-	-	6,580
Exchange differences	-	16	14,007	-	-	14,023
March 31, 2019	<u>\$6,875,175</u>	<u>\$410,935</u>	<u>\$1,762,593</u>	<u>\$20,542</u>	<u>\$28,310</u>	<u>\$9,097,555</u>

(7) 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, short-term borrowings, 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.
- (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.

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B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative Instruments

The related information for derivative financial instruments not yet settled 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 and forward cross currency contracts:

Item (by contract)	Notional Amount	Contract Period
As of March 31, 2020		
Forward currency contract		
Selling forward currency contracts	USD 327,000 thousand	From April 2020 to December 2020
Buying forward currency contracts	USD 392,500 thousand	From April 2020 to June 2020
Selling forward currency contracts	CAD 3,000 thousand	From April 2020 to August 2020
Forward cross currency contract	USD 31,500 thousand	From April 2020 to May 2020
As of December 31, 2019		
Forward currency contract		
Selling forward currency contracts	USD 401,000 thousand	From January 2020 to September 2020
Buying forward currency contracts	USD 452,000 thousand	From January 2020 to February 2020
Selling forward currency contracts	CAD 2,100 thousand	From January 2020 to May 2020
Forward cross currency contract	USD 30,500 thousand	From January 2020 to February 2020
As of March 31, 2019		
Forward currency contract		
Selling forward currency contracts	USD 273,000 thousand	From April 2019 to September 2019
Buying forward currency contracts	USD 352,000 thousand	From April 2019 to July 2019
Selling forward currency contracts	EUR 14,000 thousand	From April 2019 to May 2019
Selling forward currency contracts	CAD 1,800 thousand	From April 2019 to July 2019
Forward cross currency contract	USD 30,500 thousand	From May 2019 to June 2019

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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 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, 2020			
Forward currency contract			
Selling forward currency contracts	EUR	6,000 thousand	From April 2020 to May 2020
As of December 31, 2019			
Forward currency contract			
Selling forward currency contracts	GBP	5,500 thousand	January 2020
As of March 31, 2019			
Forward currency contract			
Selling forward currency contracts	USD	58,000 thousand	From April 2019 to June 2019
Buying forward currency contracts	USD	58,000 thousand	From April 2019 to June 2019
Selling forward currency contracts	GBP	5,500 thousand	April 2019

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All assets 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:

March 31, 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$91,647	\$-	\$91,647
Stock	-	-	35,701	35,701
Hedging financial assets-current	-	554	-	554
Equity instrument measured at fair value through other comprehensive income	-	-	391,576	391,576

Liabilities measured at fair value:

Financial liabilities at fair value through profit or loss				
Forward currency contract	-	46,977	-	46,977
Forward cross currency contract	-	2,585	-	2,585

December 31, 2019				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$83,296	\$-	\$83,296
Forward cross currency contract	-	1,025	-	1,025
Stock	-	-	35,412	35,412
Hedging financial assets-current	-	4,207	-	4,207
Equity instrument measured at fair value through other comprehensive income	-	-	447,469	447,469

Liabilities measured at fair value:

Financial liabilities at fair value through profit or loss				
Forward currency contract	-	145,980	-	145,980
Forward cross currency contract	-	7,127	-	7,127

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	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$55,641	\$-	\$55,641
Forward cross currency contract	-	414	-	414
Stock	-	-	20,134	20,134
Convertible bonds	-	-	15,410	15,410
Hedging financial assets-current	-	5,638	-	5,638
Equity instrument measured at fair value through other comprehensive income				
	-	-	376,382	376,382
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	11,988	-	11,988
Forward cross currency contract	-	69	-	69
Hedging financial liabilities-current	-	6,297	-	6,297

Transfers between the Level 1 and Level 2 during the period

During the three months ended March 31, 2020 and 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

Change in reconciliation for fair value measurements in Level 3

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

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	Assets		
	At fair value through		Total
	At fair value through other comprehensive profit or loss	income	
	Stock and convertible bonds	Stock	
As of January 1, 2020:	\$35,412	\$447,469	\$482,881
Total gains and losses recognized for the three months ended March 31, 2020:			
Amount recognized in profit or loss (presented in “other profit or loss”)	289	-	289
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-	(55,187)	(55,187)
Tax effect	-	(1,330)	(1,330)
Exchange differences	-	624	624
As of March 31, 2020	\$35,701	\$391,576	\$427,277

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	Assets		
	At fair value through At fair value through other comprehensive profit or loss		income
	Stock and convertible bonds	Stock	Total
As of January 1, 2019:	\$20,065	\$359,859	\$379,924
Total gains and losses recognized for the three months ended March 31, 2019:			
Amount recognized in profit or loss (presented in “other profit or loss”)	64	-	64
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-	16,209	16,209
Acquisition	15,415	-	15,415
Tax effect	-	83	83
Exchange differences	-	231	231
As of March 31, 2019	\$35,544	\$376,382	\$411,926

Total gains and losses recognized in profit or loss for the three months ended March 31, 2020 and 2019 in the table above contain gains (losses) related to assets on hand in the amount of NT\$289 thousand and NT\$64 thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

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At March 31, 2020

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets :					
At fair value through profit or loss					
Stock	Income Approach	Lack of marketability	27.2%	The higher the discount for lack of marketability, the lower the fair value estimated	10% increase (decrease) in the discount for lack of marketability would result in decrease/increase in profit or loss by NT\$1,147 thousand /NT\$1,162 thousand.
Financial assets at fair value through other comprehensive income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar entities	0.91	The higher the P/E ratio of similar entities, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$2,571 thousand/ NT\$2,342 thousand.

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At December 31, 2019

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets :					
At fair value					
through profit					
or loss					
Stock	Income Approach	Lack of marketability	27.2%	The higher the discount for lack of marketability, the lower the fair value estimated	10% increase (decrease) in the discount for lack of marketability would result in decrease/increase in profit or loss by NT\$732 thousand /NT\$747 thousand.
Financial assets					
at fair value					
through other					
comprehensive					
income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar entities	1.17	The higher the P/E ratio of similar entities, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$3,079 thousand/ NT\$3,332 thousand.

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At March 31, 2019

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets :					
At fair value through profit or loss					
Stock	Income Approach	Lack of marketability	27.2%	The higher the discount for lack of marketability, the lower the fair value estimated	10% increase (decrease) in the discount for lack of marketability would result in decrease/increase in profit or loss by NT\$752 thousand /NT\$767 thousand.
Financial assets at fair value through other comprehensive income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar entities	1.02	The higher the P/E ratio of similar entities, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$2,816 thousand/ NT\$2,814 thousand.

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Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Assets Management Center(AMC) is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. AMC analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

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

March 31, 2020				
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties				
(please refer to Note 6(10))	\$-	\$-	\$219,800	\$219,800
December 31, 2019				
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties				
(please refer to Note 6(10))	\$-	\$-	\$219,800	\$219,800
March 31, 2019				
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties				
(please refer to Note 6(10))	\$-	\$-	\$222,400	\$222,400

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(10) Significant Assets and Liabilities Denominated in Foreign Currencies

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

March 31, 2020			
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$ 837,671	30.23	\$25,318,606
JPY	287,544	0.2788	80,167
EUR	391	33.24	12,997
GBP	135	37.25	5,029
Non-Monetary items:			
USD	\$2,359	30.23	\$71,301
<u>Financial liabilities</u>			
Monetary items:			
USD	\$544,836	30.23	\$16,467,668
JPY	145,989	0.2788	40,702
GBP	3,652	37.25	136,034

December 31, 2019			
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$960,264	29.98	\$28,788,715
JPY	257,661	0.276	71,114
GBP	345	39.36	13,579
EUR	226	33.59	7,591
CHF	36	30.9	1,113
Non-Monetary items:			
USD	\$2,548	29.98	\$76,389
<u>Financial liabilities</u>			
Monetary items:			
USD	\$659,850	29.98	\$19,782,303
JPY	120,664	0.276	33,303
GBP	3,501	39.36	137,802

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	March 31, 2019		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$823,658	30.82	\$25,385,140
JPY	165,257	0.2783	45,991
RMB	502	4.5771	2,298
GBP	119	40.11	4,773
EUR	423	34.61	14,640
CHF	502	30.94	15,529
Non-Monetary items:			
USD	\$2,324	30.82	\$71,626
<u>Financial liabilities</u>			
Monetary items:			
USD	\$582,476	30.82	\$17,951,910
JPY	69,327	0.2783	19,294
GBP	2,864	40.11	114,873

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 (loss) gain was NT\$(59,611) thousand and NT\$(71,730) thousand for the three months ended March 31, 2020 and 2019, respectively.

(11) 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.

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, 2020: None.
- B. Endorsement/Guarantee provided to others for the three months ended March 31, 2020: Please refer to Attachment 1.
- C. Securities held as of three months ended March 31, 2020 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2.

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- 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, 2020: 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, 2020: 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, 2020: 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, 2020: 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 three months ended March 31, 2020: 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 6 (3), Note 6(13), Note 12(1), Note 12(8) and Attachment 8.

(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, 6-2, 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, 1-2, 2-1, 3-1, 4-1 and 6-1.
- 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, 7-1 and 7-2.
- B. Directly or indirectly significant transactions with the investees in Mainland China, please refer to Attachment 5.

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(4) Information on major shareholders

Please refer to Attachment 9.

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 design, manufacturing and marketing of backlighting, panel modules, medical displays and energy-efficient lighting equipment.
- (b) Image products and brand segments: mainly engaged in the R&D design, manufacturing 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, 2020							
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note a)	Adjustment and elimination (Note b)	Total
Revenue							
Net revenue from external customers	\$4,300,245	\$2,890,359	\$625,579	\$7,816,183	\$552,454	\$-	\$8,368,637
Net revenue from sales among intersegments	26,728	4,364	71,358	102,450	203,775	(306,225)	-
Total revenue	<u>\$4,326,973</u>	<u>\$2,894,723</u>	<u>\$696,937</u>	<u>\$7,918,633</u>	<u>\$756,229</u>	<u>\$(306,225)</u>	<u>\$8,368,637</u>
Segment income	<u>\$101,773</u>	<u>\$(29,864)</u>	<u>\$(100,685)</u>	<u>\$(28,776)</u>	<u>\$(40,658)</u>	<u>\$70,675</u>	<u>\$1,241</u>
Segment Assets (Note c)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$45,335,501</u>	<u>\$45,335,501</u>
For the three months ended March 31, 2019							
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note a)	Adjustment and elimination (Note b)	Total
Revenue							
Net revenue from external customers	\$5,431,725	\$3,921,922	\$1,160,003	\$10,513,650	\$760,326	\$-	\$11,273,976
Net revenue from sales among intersegments	38,499	8,417	96,333	143,249	188,823	(332,072)	-
Total revenue	<u>\$5,470,224</u>	<u>\$3,930,339</u>	<u>\$1,256,336</u>	<u>\$10,656,899</u>	<u>\$949,149</u>	<u>\$(332,072)</u>	<u>\$11,273,976</u>
Segment income	<u>\$192,624</u>	<u>\$16,143</u>	<u>\$8,158</u>	<u>\$216,925</u>	<u>\$(10,908)</u>	<u>\$(24,643)</u>	<u>\$181,374</u>
Segment Assets (Note c)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$48,404,742</u>	<u>\$48,404,742</u>

Note a: Eight operating segments did not meet the quantitative thresholds for reportable segments for the three months ended March 31, 2020 and 2019, respectively. They have been combined into other segments.

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

Note c: 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.

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	Three months ended March 31	
	2020	2019
Net income of reportable segment	\$(28,776)	\$216,925
Income of other segment	(40,658)	(10,908)
Unallocated amount:		
Interest income	127,627	109,443
Interest expense	(86,605)	(97,550)
Financial assets (liabilities) at fair value through profit or loss	158,365	123,359
Exchange net loss	(59,611)	(71,730)
Others	(69,101)	(88,165)
Income before income tax	<u>\$1,241</u>	<u>\$181,374</u>

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the three months ended March 31, 2020)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/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	Nano Precision Taiwan Limited	Associate	\$ 10,691,598 (Note)	\$ 350,000	\$ 350,000	\$ 107,500	-	1.64%	\$ 21,383,196 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Subsidiary	10,691,598 (Note)	402,250	402,250	12,250	-	1.88%	21,383,196 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Display (Suzhou)	Associate	10,691,598 (Note)	196,183 (RMB45,000 thousands)	-	-	-	0.00%	21,383,196 (Note)	Yes	No	Yes
0	Coretronic Corporation	YLG Optotech	Associate	10,691,598 (Note)	138,848 (USD4,590 thousands)	138,733 (USD4,590 thousands)	38,537	-	0.65%	21,383,196 (Note)	Yes	No	Yes
0	Coretronic Corporation	Calibre UK Ltd.	Subsidiary	10,691,598 (Note)	200,578 (GBP5,060 thousands)	188,485 (GBP5,060 thousands)	119,662	-	0.88%	21,383,196 (Note)	Yes	No	No
	Total				<u>\$ 1,287,859</u>	<u>\$ 1,079,468</u>							

Note : 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, 2020)

(The certain information is based on the unaudited 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 expected credit losses	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	Value		
1	Bigshine (HK)	Coretronic Corporation	Accounts receivables - related parties	Yes	\$ 211,750	\$ 54,405	\$ 54,405	-	The need for short-term financing	-	Business turnover	-	None	-	\$ 654,027	\$ 654,027
1	Bigshine (HK)	Core-Flex Limited	Accounts receivables - related parties	Yes	130,814	130,814	130,814	-	The need for short-term financing	-	Business turnover	-	None	-	261,611	261,611
1	Bigshine (HK)	Optoma USA	Accounts receivables - related parties	Yes	185,884	185,884	185,884	1.5%	The need for short-term financing	-	Business turnover	-	None	-	654,027	654,027
2	Lead Bright (HK)	Coretronic Corporation	Accounts receivables - related parties	Yes	148,225	148,103	148,103	-	The need for short-term financing	-	Business turnover	-	None	-	3,490,321	3,490,321
3	Tecpoint	Coretronic Corporation	Accounts receivables - related parties	Yes	6,050	6,045	6,045	-	The need for short-term financing	-	Business turnover	-	None	-	3,223,760	3,223,760
4	Venture Orient	Coretronic Corporation	Accounts receivables - related parties	Yes	90,750	90,675	90,675	-	The need for short-term financing	-	Business turnover	-	None	-	507,302	507,302
5	Great Pride(HK)	Coretronic Corporation	Accounts receivables - related parties	Yes	102,850	102,765	102,765	-	The need for short-term financing	-	Business turnover	-	None	-	2,497,802	2,497,802
6	Coretronic (Suzhou)	Coretronic Corporation	Accounts receivables - related parties	Yes	136,125	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	1,359,614	1,359,614
6	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Accounts receivables - related parties	Yes	1,068,107	1,045,167	1,045,167	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,532,046	4,532,046
6	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Accounts receivables - related parties	Yes	87,192	85,320	85,320	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,532,046	4,532,046
6	Coretronic (Suzhou)	Coretronic System Engineering (Shanghai)	Accounts receivables - related parties	Yes	17,438	17,064	17,064	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,532,046	4,532,046
7	Bigshine	Coretronic Corporation	Accounts receivables - related parties	Yes	15,125	15,113	15,113	-	The need for short-term financing	-	Business turnover	-	None	-	276,795	276,795
7	Bigshine	Brightbridge	Accounts receivables - related parties	Yes	2,677	2,675	2,675	0.5%	The need for short-term financing	-	Business turnover	-	None	-	276,795	276,795
8	Greendale	Coretronic Corporation	Accounts receivables - related parties	Yes	19,360	19,344	19,344	-	The need for short-term financing	-	Business turnover	-	None	-	4,910,978	4,910,978
9	Young Green Energy	Calibre UK Ltd	Accounts receivables - related parties	Yes	7,928	7,450	7,450	1.45%	The need for short-term financing	-	Business turnover	-	None	-	91,834	91,834
9	Young Green Energy	Coretronic Intelligent Robotics Corporation	Accounts receivables - related parties	Yes	30,000	30,000	30,000	0.63%	The need for short-term financing	-	Business turnover	-	None	-	91,834	91,834
10	Coretronic (Ningbo)	YLG Optotech	Accounts receivables - related parties	Yes	239,778	234,630	234,630	0.5%	The need for short-term financing	-	Business turnover	-	None	-	3,304,254	3,304,254
11	Great Pride	Coretronic Corporation	Accounts receivables - related parties	Yes	33,275	33,248	33,248	-	The need for short-term financing	-	Business turnover	-	None	-	2,532,207	2,532,207
12	Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Accounts receivables - related parties	Yes	152,587	149,310	149,310	0.5%	The need for short-term financing	-	Business turnover	-	None	-	5,109,530	5,109,530
13	Dynamic Time	Optoma Corporation	Accounts receivables - related parties	Yes	514,250	513,825	513,825	-	The need for short-term financing	-	Business turnover	-	None	-	714,901	714,901
13	Dynamic Time	Optoma USA	Accounts receivables - related parties	Yes	166,375	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	1,787,252	1,787,252
13	Dynamic Time	Coretronic Corporation	Accounts receivables - related parties	Yes	166,238	166,238	166,238	-	The need for short-term financing	-	Business turnover	-	None	-	1,787,252	1,787,252
14	Modern Smart	Optoma USA	Accounts receivables - related parties	Yes	19,663	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	94,950	94,950
14	Modern Smart	Optoma Corporation	Accounts receivables - related parties	Yes	39,293	39,293	39,293	-	The need for short-term financing	-	Business turnover	-	None	-	37,980	37,980

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 Bigshine (HK) Limited, Bigshine International Limited, GREAT PRIDE INC. (Samoa), Great Pride Hong Kong Limited, Greendale Investments Limited,

Lead Bright (HK) Limited, TEC POINT LIMITED (HVI), Venture Orient Limited, Dynamic Time Investments Limited.

The above restriction only applies to the foreign subsidiaries whose shares are 100% owned by the Company.

Note b : 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 Bigshine International Limited, Bigshine (HK) Limited, Coretronic (Ningbo), Coretronic (Suzhou), Coretronic Projection (Kunshan).

The above restriction only applies to the foreign subsidiaries whose shares are 100% owned, directly or indirectly, by the Company.

Note c : 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., Bigshine (HK) Limited, Young Green Energy Co., LTD.

ATTACHMENT 1-2 (Endorsement/Guarantee provided to others for the three months ended March 31, 2020)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/ 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										
1	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Associate	\$ 2,266,023 (Note)	\$ 780,878	\$ 764,415	\$ 527,653	-	16.87%	\$ 4,532,046 (Note)	No	No	Yes
2	Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	408,714 (Note)	405,269	405,269	405,269	-	49.58%	817,428 (Note)	No	No	Yes
Total					\$ 1,186,147	\$ 1,169,684							

Note : 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 2 (Securities held as of March 31, 2020)

(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, 2020				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value(Note)	
Coretronic Corporation	Maxima Venture I, Inc.	-	Financial assets at fair value through other comprehensive income-noncurrent	29,400	\$ 622	5.26%	\$ 622	
Coretronic Corporation	Nightingale Intelligent Systems, Inc.	-	Financial assets at fair value through profit or loss-noncurrent	1,148,617	33,328	3.72%	33,328	
Coretronic Corporation	GLO AB	-	Financial assets at fair value through profit or loss-noncurrent	50,000	2,373	0.24%	2,373	
Coretronic Corporation	Etergo Opto-Electronics Co., LTD	-	Investments accounted for using the equity method- noncurrent	1,000,000	22,890	20.00%	-	

Note : The Group measured the fair value of investments in accordance with IFRS9.

ATTACHMENT 2-1 (Securities held as of March 31, 2020)
(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, 2020				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value (Note a)	
Chung Tsen Investment Corp.	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	34,107,900	\$ 294,787	4.47%	\$ 294,787	
Venture Orient	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 2,359,139	5.00%	USD 2,359,139	
Optoma Corporation	LIULIGONGFANG	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	3,743	3.06%	3,743	
	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	21,120	19.90%	21,120	
Coretronic Venture Capital	GeneJet Biotech	-	Investments accounted for using the equity method- noncurrent	1,575,000	- (Note b)	19.51%	-	

Note a : The Group measured the fair value of investments in accordance with IFRS9.

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

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, 2020)

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

(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 Europe	Subsidiary	Sales	\$520,325	16.92%	90 days	-	-	\$ 521,274	12.32%	
	Optoma USA	Subsidiary	Sales	136,872	4.45%	90 days	-	-	143,227	3.38%	

ATTACHMENT 3-1 (Related party transactions for purchases and sales amounts exceeding the lower of NTS100 million or 20 percent of capital stock for the three months ended March 31, 2020)
(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	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)	
Young Optics	Grace China	Associate	Sales	\$ 172,888	21.88%	60 days	-	-	\$ 248,600	32.48 %	
Young Optics	Grace China	Associate	Purchases	192,096	36.92%	60 days	-	-	(430,678)	(46.53%)	
Young Optics	Young Optics (Kunshan)	Associate	Purchases	126,404	24.29%	60 days	-	-	(126,296)	(13.64%)	
Young Optics (Kunshan)	Grace China	Associate	Sales	137,783	38.54%	60 days	-	-	281,014	56.46 %	
Young Optics (Kunshan)	Grace China	Associate	Purchases	163,089	41.12%	30 days	-	-	(42,823)	(18.69%)	
Coretronic Projection (Kunshan)	Champ Vision Display	Associate	Sales	148,441	7.09%	60 days	-	-	129,633	7.63 %	
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	Sales	1,193,566	99.74%	60 days	-	-	680,233	99.01 %	

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, 2020)

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

Company name	Counter-party	Relationship	Accounts receivables - related parties	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Accounts receivables : Coretronic Corporation	Optoma Corporation	Subsidiary	\$ 1,048,899	0.13	\$ -	-	\$ -	\$ -
	Optoma Europe	Subsidiary	521,274	7.84	-	-	-	-
	Optoma USA	Subsidiary	143,227	7.42	-	-	-	-

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, 2020)

(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	Accounts receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Accounts receivables :								
Optoma Corporation	Optoma USA	Associate	\$ 578,380	0.05	\$ -	-	\$ -	\$ -
Young Optics	Grace China	Associate	248,600	0.80	-	-	-	-
Young Optics (Kunshan)	Young Optics	Associate	126,296	8.01	-	-	-	-
Young Optics (Kunshan)	Grace China	Associate	281,014	1.01	-	-	-	-
Grace China	Young Optics	Associate	430,678	1.08	-	-	-	-
Grace China	Young Optics (BD)	Associate	380,048	0.06	-	-	-	-
Young Optics (BD)	Grace China	Associate	151,709	2.31	-	-	-	-
Coretronic Projection (Kunshan)	Champ Vision Display	Associate	129,633	4.10	-	-	-	-
Coretronic Projection (Kunshan)	Optoma China	Associate	337,992	0.94	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	680,233	4.90	-	-	-	-
Other receivables :								
Young Optics	Grace China	Associate	349,655	-	-	-	-	-
Grace China	Young Optics (BD)	Associate	303,965	-	-	-	-	-

ATTACHMENT 5 (Significant intercompany transactions between consolidated entities)

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

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

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
0	Coretronic Corporation	Optoma Corporation	1	Accounts receivables	1,048,899	—	2.31%
			1	Sales	45,814	—	0.55%
		Optoma USA	1	Accounts receivables	143,227	—	0.32%
			1	Sales	136,872	—	1.64%
		Optoma Europe	1	Accounts receivables	521,274	—	1.15%
			1	Sales	520,325	—	6.22%
		Greendale	1	Accounts receivables	748,101	—	1.65%
			1	Sales	713,659	—	8.53%
		Coretronic Projection (Kunshan)	1	Accounts receivables	55,192	—	0.12%
		YLG Optotech	1	Accounts receivables	47,242	—	0.10%
			1	Sales	63,510	—	0.76%
		Coretronic Display (Suzhou)	1	Accounts receivables	1,282,861	—	2.83%
			1	Sales	1,325,363	—	15.84%
		Coretronic Optotech (Suzhou)	1	Accounts receivables	686,184	—	1.51%
			1	Sales	438,440	—	5.24%
1	Optoma Corporation	Optoma USA	3	Accounts receivables	578,380	—	1.28%
		Optoma Europe	3	Sales	40,056	—	0.48%
2	Young Optics	Grace China	3	Other receivables	349,655	—	0.77%
			3	Accounts receivables	248,600	—	0.55%
			3	Sales	172,888	—	2.07%
		Young Optics (Kunshan)	3	Accounts receivables	45,401	—	0.10%
			3	Sales	45,480	—	0.54%
		Aptek Optical	3	Accounts receivables	54,810	—	0.12%
			3	Sales	54,585	—	0.65%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
3	Grace China	Young Optics	3	Accounts receivables	430,678	—	0.95%
			3	Sales	192,096	—	2.30%
		Young Optics (Kunshan)	3	Accounts receivables	42,823	—	0.09%
			3	Sales	163,089	—	1.94%
		Young Optics (Suzhou)	3	Accounts receivables	59,524	—	0.13%
		Young Optics (BD) LTD.	3	Other receivables	303,965	—	0.67%
			3	Accounts receivables	380,048	—	0.84%
4	Young Optics (Kunshan)	Young Optics	3	Accounts receivables	126,296	—	0.28%
			3	Sales	126,404	—	1.52%
		Grace China	3	Accounts receivables	281,014	—	0.62%
			3	Sales	137,783	—	1.65%
		Coretronic Optics (Kunshan)	3	Accounts receivables	69,098	—	0.15%
			3	Sales	69,077	—	0.83%
5	Dynamic Time	Coretronic Corporation	2	Other receivables	166,238	—	0.37%
		Optoma Corporation	3	Other receivables	513,825	—	1.13%
6	Modern Smart	Optoma Corporation	3	Other receivables	39,293	—	0.09%
7	Coretronic (Suzhou)	Wisdom Success (HK)	3	Accounts receivables	1,483,256	—	3.27%
			3	Sales	450,700	—	5.39%
		Coretronic Display (Suzhou)	3	Other receivables	1,049,385	—	2.31%
		Coretronic Optics (Suzhou)	3	Other receivables	85,399	—	0.19%
8	Venture Orient	Coretronic Corporation	2	Other receivables	90,675	—	0.20%
9	Best Alpha	Young Optics (Suzhou)	3	Other receivables	108,456	—	0.25%
10	Great Pride	Coretronic Corporation	2	Other receivables	33,248	—	0.07%
11	Nano Precision (Suzhou)	Coretronic (Suzhou)	3	Sales	47,594	—	0.57%
		Great Pride (HK)	3	Accounts receivables	95,168	—	0.21%
			3	Sales	43,542	—	0.52%
		Coretronic Display (Suzhou)	3	Accounts receivables	31,208	—	0.07%
			3	Sales	30,899	—	0.37%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
12	Greendale	Coretronic Corporation	2	Other receivables	1,051,079	—	2.32%
		Coretronic Optics (Kunshan)	3	Other receivables	743,982	—	1.64%
13	Coretronic Projection (Kunshan)	Optoma China	3	Accounts receivables	337,992	—	0.75%
			3	Sales	84,004	—	1.00%
		Greendale	3	Accounts receivables	1,025,175	—	2.26%
			3	Sales	1,497,907	—	17.90%
		Champ Vision Display	3	Accounts receivables	129,633	—	0.29%
			3	Sales	148,441	—	1.77%
		Coretronic Optics (Kunshan)	3	Other receivables	151,624	—	0.33%
			3	Accounts receivables	72,223	—	0.16%
			3	Sales	93,637	—	1.12%
14	Young Green Energy	Coretronic Intelligent Robotics Corporation	3	Other receivables	30,161	—	0.07%
15	Coretronic (Ningbo)	YLG Optotech	3	Other receivables	235,458	—	0.52%
16	Great Pride (HK)	Coretronic Corporation	2	Other receivables	102,765	—	0.23%
17	Wisdom Success (HK)	Coretronic (Suzhou)	3	Accounts receivables	1,016,758	—	2.24%
			3	Sales	1,233,784	—	14.74%
18	Bigshine (HK)	Coretronic Corporation	2	Other receivables	54,405	—	0.12%
		Optoma USA	3	Other receivables	185,884	—	0.41%
		Core-Flex	3	Other receivables	130,814	—	0.29%
19	Lead Bright (HK)	Coretronic Corporation	2	Other receivables	148,103	—	0.33%
20	Coretronic Intelligent Cloud Service Corp.	Coretronic Corporation	2	Accounts receivables	71,872	—	0.16%
			2	Sales	70,148	—	0.84%
21	YLG Optotech	Coretronic Corporation	2	Accounts receivables	185,992	—	0.41%
			2	Sales	154,063	—	1.84%
22	Young Optics (BD) LTD.	Grace China	3	Accounts receivables	151,709	—	0.33%
			3	Sales	81,247	—	0.97%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
23	Coretronic Display (Suzhou)	Coretronic Corporation	2	Accounts receivables	874,042	—	1.93%
			2	Sales	529,730	—	6.33%
		Coretronic Display (Suzhou) Tianjin	3	Other receivables	50,771	—	0.11%
24	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivables	668,724	—	1.47%
			2	Sales	247,232	—	2.95%
		Coretronic Display (Suzhou)	3	Accounts receivables	156,190	—	0.34%
			3	Sales	71,168	—	0.85%
25	Champ Vision Display	Coretronic Corporation	2	Other receivables	32,914	—	0.07%
		Coretronic Projection (Kunshan)	3	Accounts receivables	66,239	—	0.15%
			3	Sales	88,265	—	1.05%
26	Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	3	Accounts receivables	680,233	—	1.50%
			3	Sales	1,193,566	—	14.26%
27	Nano Precision Taiwan Limited	Nano Precision (Suzhou)	3	Accounts receivables	74,368	—	0.16%
			3	Sales	91,853	—	1.10%

Note a: 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 b: Transactions are categorized as follows:

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

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

Note d: 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, 2020) (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, 2020			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%	\$4,827,036	\$3,633	\$3,633	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	518,465	518,465	58,462,000	100.00%	558,599	(25,123)	(25,123)	Subsidiary
Coretronic Corporation	Young Optics Inc	Hsinchu City,	Engaged in the production, marketing and R&D of electronic components and optics.	546,894	547,842	40,991,586	35.94%	1,190,306	(85,241)	(30,287)	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	11,365,655	106,219	106,219	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,217,296	7,205	7,205	Subsidiary
Coretronic Corporation	Chung Tsen Investment Corp.	New Taipei City, Taiwan	Investing company for strategic purposes	692,696	692,696	127,099,664	100.00%	1,614,028	2,576	2,576	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,512,195	45,108	35,212	Subsidiary
Coretronic Corporation	Young Green Energy Co., LTD	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of electronic components, battery, computer and its peripheral devices, and electronic material	214,620	214,620	18,833,220	99.91%	242,391	6,653	6,647	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00%	74,248	73,416	73,416	Subsidiary
Coretronic Corporation	Coretronic Intelligent Cloud Service Corp.	Hsinchu County, Taiwan	Engaged in intelligent cloud, IT information, intelligent applications of new media and platform development related business of new media.	254,990	254,990	15,000,000	100.00%	142,800	296	296	Subsidiary
Coretronic Corporation	Coretronic Venture Capital Corp.	New Taipei City, Taiwan	The investment activities of company's business expansion	300,000	300,000	30,000,000	100.00%	303,436	112	112	Subsidiary
Coretronic Corporation	Champ Vision Display Inc.	Miaoli County, Taiwan	Engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	144,000	144,000	14,400,000	80.00%	168,911	(145)	(116)	Subsidiary
Coretronic Corporation	uCare Medical Electronics Co., Ltd.	Miaoli County, Taiwan	Engaged in the R&D, design, production and marketing of intelligent movement and medical care related software and hardware products.	80,000	80,000	8,000,000	60.69%	43,768	(6,788)	(4,120)	Subsidiary
Coretronic Corporation	Calibre UK Limited	UK	Engaged in R&D, design, production and marketing of image processing products.	44,088	44,088	101,042	100.00%	(41,131)	(4,308)	(4,308)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Hsinchu City, Taiwan	Engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	150,000	150,000	15,000,000	100.00%	19,429	(19,990)	(19,990)	Subsidiary
Coretronic Corporation	InnoSpectra Corporation	Hsinchu City, Taiwan	Engaged in R&D and marketing of near-infrared spectrum and corresponding solutions	48,000	48,000	4,800,000	80.00%	18,541	(4,083)	(3,266)	Subsidiary
Coretronic Corporation	Coretronic MEMS Corporation	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	180,000	180,000	18,000,000	100.00%	150,316	(10,087)	(10,087)	Subsidiary
Coretronic Corporation	Coretronic Reality Inc.	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of wearable and embedded projector, system, and display solutions.	100,000	100,000	10,000,000	100.00%	92,717	(7,216)	(7,216)	Subsidiary

ATTACHMENT 6 -1 : (Names, locations and related information of investee companies as of March 31, 2020) (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, 2020			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic BVI	Greendale	Samoa	Holding company	USD 46,400,000	USD 46,400,000	46,400	100.00 %	USD 160,112,003	USD 124,233	(Note)	Associate
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 10,176,000	43,300	100.00 %	USD 307,970,408	USD 3,225,643	(Note)	Associate
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 8,913,137	(USD 192,177)	(Note)	Associate
Visicorp	Investdragon	Samoa	Holding company	USD 636,000	USD 636,000	212,000	100.00 %	USD 18,450	USD 83	(Note)	Associate
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 29,955,507	USD 251,414	(Note)	Associate
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 15,315,067	USD 51,234	(Note)	Associate
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,204,902	USD 5,204,902	5,204,902	12.11 %	USD 12,892,004	USD 1,498,590	(Note)	Associate
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 184,359,383	USD 2,532,473	(Note)	Associate
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 84,772,445	USD 962,902	(Note)	Associate
Wisdom Success	Investdragon (HK)	HK	Holding company	USD 2,000,000	USD 2,000,000	2,000	40.00 %	USD 1,576,163	-	(Note)	Associate
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 24,505,547	USD 133,214	(Note)	Associate
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 13,333,198	(USD 165,464)	(Note)	Associate
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 7,999,919	(USD 165,464)	(Note)	Associate
Investdragon	Investdragon (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	60.00 %	USD 2,364,245	-	(Note)	Associate
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 29,955,454	USD 962,902	(Note)	Associate
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 15,314,972	USD 133,214	(Note)	Associate
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 40,274,080	USD 239,355	(Note)	Associate
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 83,704,710	USD 1,146,745	(Note)	Associate
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 7,088,679	USD 163,285	(Note)	Associate
Tecpoint	Nano Precision	HK	Holding company	USD 6,800,000	USD 6,800,000	6,800,000	100.00 %	USD 6,999,523	-	(Note)	Associate
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 15,411,570	USD 197,409	(Note)	Associate
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800	100.00 %	USD 82,566,401	USD 1,146,741	(Note)	Associate
Nano Precision (Suzhou)	Nano Precision Taiwan Limited	Taiwan	Engaged in the production, R&D, marketing and imports/exports of high-end electronic devices' plastic enclosures, frames, and optical component injection	300,000	300,000	30,000,000	100.00 %	RMB 41,968,019	(RMB 5,862,022)	(Note)	Associate

Note : 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, 2020) (Not including investment in Mainland China) (The certain information is based on the unaudited 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, 2020			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 Corp.	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	\$ 501,159	\$ 4,533	(Note a)	Associate
Chung Tsen Investment Corp.	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	35,471	35,471	2,596,317	2.28 %	75,392	(85,241)	(Note a)	Subsidiary
Chung Tsen Investment Corp.	Tsen Ming Investment	New Taipei City, Taiwan	Investing company for strategic purposes	102,000	102,000	32,443,180	100.00 %	434,163	(549)	(Note a)	Associate
Chung Tsen Investment Corp.	Core-Flex	Cayman Islands	Holding company	USD 3,130,000	USD 3,130,000	3,130,000	1.39 %	3,265	4,922	(Note a)	Associate
Venture Orient	Tecpoint	B.V.I.	Holding company	USD 4,226,399	USD 4,226,399	4,226,399	9.83 %	USD 10,468,378	USD 1,498,590	(Note a)	Subsidiary
Tsen Ming Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	31,921	31,921	1,698,886	1.49 %	50,281	(85,241)	(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 %	13,928	4,922	(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 %	107,623	1,903	(Note a)	Associate
Young Optics	Masterview	B.V.I.	Holding company	USD 6,000,000	USD 6,000,000	6,000,000	100.00 %	1,756,242	(30,811)	(Note a)	Associate
Young Optics	Young Optics Inc.	USA	Operating maintenance services business	(Note b)	USD 50,000	-	-	-	(3)	(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 %	99,545	1,434	(Note a)	Associate
Young Optics	Mejiro Genossen Inc.	Japan	Researching, developing, manufacturing and selling of optics machines	JPY 161,200,908	JPY 161,200,908	4,950	99.00 %	41,472	(2,573)	(Note a)	Associate
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 20,762,088	(USD 184,726)	(Note a)	Associate
Masterview	Grace China	Cayman Islands	Holding company	USD 8,156,458	USD 8,156,458	8,156,458	100.00 %	USD 36,093,489	(USD 348,792)	(Note a)	Associate
Masterview	Young Optics (BD) LTD.	Bengal	Manufacturing of optics components	USD 5,000,000	USD 1,000,000	4,149,936	62.50 %	USD 376,290	(USD 670,113)	(Note a)	Associate
Masterview	Young Optics Europe GmbH	Germany	Manufacturing and selling of 3D printer	EUR 18,750	EUR 18,750	-	75.00 %	USD 63,420	(USD 16,772)	(Note a)	Associate
Grace China	Young Optics (BD) LTD.	Bengal	Manufacturing of optics components	USD 3,000,000	USD 1,000,000	2,479,960	37.50 %	USD 225,774	(USD 670,113)	(Note a)	Associate
Optoma Corporation	Dynamic Time	Cayman Islands	Holding company	USD 14,122,230	USD 14,122,230	14,856	100.00 %	1,736,079	(USD 921,635)	(Note a)	Associate

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

Note b : Young Optics Inc. has been liquidated in February 2020.

ATTACHMENT 6 -3 : (Names, locations and related information of investee companies as of March 31, 2020) (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, 2020			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 31,006,847	EUR 486,075	(Note)	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 541,896)	(USD 776,350)	(Note)	Associate
Dynamic Time	Modern Smart	B.V.I.	Holding company	USD 1,200,000	USD 1,200,000	1,200,000	100.00 %	USD 2,430,147	(USD 691,610)	(Note)	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 328,466	(HKD 173,984)	(Note)	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 %	EUR 1,469,324	EUR 116,190	(Note)	Associate
Optoma Europe	Optoma France	France	Marketing and after sales service of Optoma in European region	GBP 67,376	GBP 67,376	-	100.00 %	EUR 324,598	(EUR 160,885)	(Note)	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 %	EUR 111,143	NOK 37,913	(Note)	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 %	EUR 368,952	(EUR 54,004)	(Note)	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 %	EUR 354,684	(EUR 23,766)	(Note)	Associate
Young Lighting Limited	Young Lighting (HK)	HK	Holding company	USD 847,000	USD 847,000	847	100.00 %	USD 240,920	USD 634	(Note)	Associate
Young Lighting Limited	YLG Limited	Samoa	Holding company	USD 3,060,000	USD 3,060,000	3,060,000	51.00 %	USD 73,821	(USD 570,541)	(Note)	Associate
Young Lighting Limited	Brightbridge	Samoa	Holding company	USD 1	USD 1	29,500,000	100.00 %	USD 1,185,599	USD 1,556,752	(Note)	Associate
Young Lighting Limited	Crystal Word	Samoa	Holding company	USD 1	USD 1	22,258,000	100.00 %	USD 955,932	USD 1,174,478	(Note)	Associate
Coretronic Intelligent Cloud Service Corp.	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	20,615	3,699	(Note)	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 682,036	USD 123,227	(Note)	Associate

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

ATTACHMENT 7 : (Investment in Mainland China as of March 31, 2020)
(Except 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, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2020	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of March 31, 2020	Accumulated inward remittance of earnings as of March 31, 2020
					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)	\$ 2,961	100.00%	\$ 2,961	\$ 4,801,671	428,855 (USD14,065,436)
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)	53	100.00%	53	23,636	(Note a and Note c) -
Coretronic Optics (Kunshan)	Production and sales of projector module products and spectrometer	RMB42,000,000	Indirect investment from the Mainland China subsidiary (CPC)	-	-	-	-	16,729	100.00%	16,729	361,097	-
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)	8,835	100.00%	8,835	1,201,718	-
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)	66,031	100.00%	66,031	4,407,432	-
Coretronic Optics (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	USD10,000,000	Indirect investment from the third region (Wisdom Success HK)	-	-	-	-	(744)	100.00%	(744)	291,135	-
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 after-sales maintenance services	390,000 (USD 12,000,000)	Indirect investment from the third region (Wisdom Success HK)	-	-	-	-	12,135	100.00%	12,135	829,429	-
Coretronic (Shanghai)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide 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)	(5,346)	100.00%	(5,346)	271,500	30,490 (USD1,000,000)
Coretronic Display (Suzhou)	Research and development, manufacturing panel modules and related components of the business, sales of the company's own products 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)	71,694	100.00%	71,694	72,031	(Note a and Note d) -
Coretronic (Ningbo)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide 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)	29,027	100.00%	29,027	3,319,382	-
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)	5,046	100.00%	5,046	365,661	-
Nano Precision (Suzhou)	Manufacture and sales 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)	34,503	100.00%	34,503	2,392,396	85,228 (USD2,795,270)
Coretronic (Guangzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide 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)	4,029	100.00%	4,029	1,203,560	(Note a and Note e) -
Nano Display (Guangzhou)	Research and development, processing, manufacture of liquid crystal display light guide plate, sales 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)	5,948	100.00%	5,948	465,795	-
YLG Optotech	Research and development, processing, manufacturing display components, sales of the company's products and provide related services	USD 6,000,000	Indirect investment from the third region (YLG Limited)	USD 3,060,000	-	-	USD 3,060,000	(17,165)	51.00%	(8,754)	2,215	-
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	3,699	100.00%	3,699	20,615	-
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	1,903	100.00%	1,903	1,910	-

Accumulated investment in Mainland China as of March 31, 2020 (Note a, b)	Investment amounts authorized by Investment Commission, MOEA (Note b ~ Note i)	Upper limit on investment
\$2,611,653 (USD 81,513,914)	\$2,463,758 (USD 81,513,914)	\$12,195,448

Note a : To use historical currency rates.

Note b : The investment amounts in Flying Success and Coretronic (Nanjing) had been not remitted to Coretronic Corporation in the event of liquidation in December, 2012 and June 2018, and related registration processes for Investment Commission, MOEA were not applicable.

Note c : Greendale Investments Limited received cash dividends amounted to USD 14,065,436.4 for distribution profits from Coretronic Projection (Kunshan) from 2006 to 2007 and had remitted it back to Coretronic Corporation.

Note d : Bigshine (HK)Limited received cash dividends amounted to USD 8,735,525.72 for distribution profits from Coretronic (Shanghai) in 2006 and had remitted it back USD 1,000,000 to Coretronic Corporation.

Note e : Teepoint received USD 2,795,270 in 2019 from Nano Precision (Suzhou), which was from the liquidation of Nano Precision (Nanjing) in 2006. Teepoint had remitted it back to Coretronic Corporation.

Note f : Great Pride (HK) Investments Limited received cash dividends amounted to USD 3,565,645 for distribution profits from Nano Display (Suzhou) in 2018 and had remitted USD 3,215,142 back to Coretronic Corporation.

Note g : Nano Precision Investments Limited received cash dividends amounted to USD 2,290,604 for distribution profits from Nano Precision (Nanjing) in 2018 and had remitted USD 2,065,438 back to Coretronic Corporation.

Note h : Dissolution of Nano Display (Suzhou) and merger with Coretronic (Suzhou) were approved by regulatory authority in August, 2019.

Note i : Include the investment amount USD2,966,301 of Nano Precision (Nanjing) which company's registration was cancelled in April, 2019. The investment amount cancellation was approved by MOEA.

Note j : To use the currency rate 1 USD =30.225 NT\$ as of March 31, 2020.

ATTACHMENT 7-1 (Investment in Mainland China as of March 31, 2020)
(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, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2020	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a)	Carrying value as of March 31, 2020 (Note a)	Accumulated inward remittance of earnings as of March 31, 2020
					Outflow	Inflow						
Young Optics (Kunshan)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	\$727,119 (USD 22,200,000) (Note d and Note e)	Indirect investment from the third region (Best Alpha and Grace China)	\$164,450 (USD 5,000,000)	\$-	\$-	\$164,450 (USD 5,000,000)	\$(3,828) (-USD 130,353)	100.00%	\$(3,828) (-USD 130,353)	\$1,161,685 (USD 38,434,560)	\$74,505 (USD 2,457,289) (Note b and Note j-Note k)
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)	(4,741) (-USD 157,465)	100.00%	(4,741) (-USD 157,465)	199,353 (USD 6,595,637)	1,328,957 (USD 31,295,415 and RMB 80,635,502) (Note b + Note f-Note i and Note l)

Accumulated investment in Mainland China as of March 31, 2020 (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)	Note c

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

Note b : To use historical currency rates.

Note c : Young Optics Company has obtained the certificate of being qualified for operating headquarters issued by Industrial Development Bureau, MOEA in June 2018, the upper limit on investment in mainland China pursuant to "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

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

Note e : 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 f : 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 g : 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 h : 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.

Note i : Best Alpha Investments Limited received cash dividends amounted to USD 4,528,402 for distribution profits from Young Optics (Suzhou) in 2017 and had remitted it back to Young Optics.

Note j : Best Alpha Investments Limited received cash dividends amounted to USD 603,264 for distribution profits from Young Optics (Kunshan) in 2017 and had remitted it back to Young Optics.

Note k : Grace China Investments Limited received cash dividends amounted to USD 1,854,025 for distribution profits from Young Optics (Kunshan) in 2017 and had remitted it back to Young Optics.

Note l : Best Alpha Investments Limited received cash dividends amounted to USD 6,531,714 for distribution profits from Young Optics (Suzhou) in 2018 and had remitted it back to Young Optics.

ATTACHMENT 7-2 (Investment in Mainland China as of March 31, 2020)

(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, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2020	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a (2))	Carrying value as of March 31, 2020	Accumulated inward remittance of earnings as of March 31, 2020
					Outflow	Inflow						
Optoma China	Marketing and after-sales service of Optoma's technology products in 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)	\$(20,909) (-RMB 4,842,793)	100.00%	\$(20,909) (-RMB 4,842,793) Note (a (2) - e)	\$31,178 RMB 7,308,421	\$ -

Accumulated investment in Mainland China as of March 31, 2020 (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)	\$335.159

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 certified 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 China 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.

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

ATTACHMENT 8 (Financial instrument and derivative transaction as of March 31, 2020)

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

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

Investment company	Financial statement account	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 April, 2020 to June, 2020	USD 388,500,000	\$ 56,550	\$ 56,550	Note a
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2020 to June, 2020	USD 260,000,000	354	354	Note a
Coretronic (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2020 to December, 2020	USD 50,000,000	(14,239)	(14,239)	Note b
Nano Precision (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2020 to October, 2020	USD 17,000,000	(4,166)	(4,166)	Note c
Optoma Corporation	Financial assets at fair value through profit or loss-current	Forward cross currency contract	—	April, 2020	USD 1,000,000	278	278	Note d
Optoma Corporation	Financial liabilities at fair value through profit or loss-current	Forward cross currency contract	—	From April, 2020 to May, 2020	USD 30,500,000	(2,585)	(2,585)	Note d
Optoma Europe	Financial assets at fair value through profit or loss-current	Forward foreign exchange contract	Sell EUR/Buy USD	From April, 2020 to May, 2020	USD 4,000,000	2,650	2,650	Note e
Optoma USA	Financial assets at fair value through profit or loss-current	Forward foreign exchange contract	Sell CAD/Buy USD	From April, 2020 to August, 2020	CAD 3,000,000	3,243	3,243	Note f
Dynamic Time	Derivative financial assets for hedging-current	Forward foreign exchange contract	Sell EUR/Buy USD	From April, 2020 to May, 2020	EUR 6,000,000	554	554	Note g

Note a : Coretronic Corporation entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$31,851 thousands for the three month ended March 31, 2020.

Note b : Associate Coretronic (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$1,656 thousands for the three month ended March 31, 2020.

Note c : Nano Precision (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$971 thousands for the three month ended March 31, 2020.

Note d : Optoma Corporation entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$1,593 thousands for the three month ended March 31, 2020.

Note e : Associate Optoma Europe entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$9,683 thousands for the three month ended March 31, 2020.

Note f : Associate Optoma USA entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$331 thousands for the three month ended March 31, 2020.

Note g : Associate Dynamic Time entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$6,643 thousands for the three month ended March 31, 2020.

Note h : Subsidiary Champ Vision Display Inc. entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$1,419 thousands for the three month ended March 31, 2020.

ATTACHMENT 9 (The information of Major shareholder as of March 31, 2020)

Name	Number of shares (Units/shares)	Percentage of ownership (%)
Taiwei Advanced Technology Co., Ltd.	25,179,196	5.79%