CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
WITH
REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015

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Independent Auditors' Report

To Coretronic Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Coretronic Corporation and its subsidiaries ("the Group") as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2016 and 2015, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2016 and 2015, and its consolidated financial performance and cash flows for the years ended December 31, 2016 and 2015, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2016 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation for inventories

The Group recognized the allowance write-down of inventories amounted to NT$486,063 thousand for the year ended December 31, 2016. Due to the rapid technological changes and innovation for projectors, backlight, and FPD-related products, management estimates the write-down of inventories. Considering the amount of inventories was significant and the assessment of the amount of inventory write-downs requires the management's important judgement, we determined this is a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around inventories; evaluating the methodologies and assumptions used, including the reasonableness of the allowance write-down of inventories; testing the source of the basic data, including the aging and net realizable value of inventories, and recalculating its correctness; evaluating the overall adequacy of the allowance write-down of inventories through analytical review procedures. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the Group's consolidated financial statements.

Maintenance warranties for products

The Group recognized the provision of maintenance warranties for products amounted to NT$655,919 thousand for the year ended December 31, 2016, the provision was based on the experience of maintenance warranties for products, management judges and estimates the provision of maintenance warranties. Considering the assessment of the amount of the provision of maintenance warranties requires the management's important judgement, we determined this is a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around the provision ratio of maintenance warranties; evaluating the reasonableness of accounting policies on the provision of maintenance warranties; testing the selected samples for the provision of maintenance warranties and confirming that whether to comply with the accounting policies; testing the source of the basic data. We also assessed the adequacy of disclosures of the provision of maintenance warranties for products. Please refer to Notes 5 and 6 to the Group's consolidated financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. These associates and joint ventures under equity method amounted to NT$30,646 thousand and NT$0 thousand, representing 0.06% and 0% of consolidated total assets as of December 31, 2016 and 2015, respectively. The related shares of loss from the associates and joint ventures under the equity method amounted to NT$2,046 thousand and NT$0 thousand, representing (0.08)% and 0% of the consolidated net income before tax for the years ended December 31, 2016 and 2015, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2016 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2016 and 2015.

Ernst & Young

Ernst & Young, Taiwan

Taiwan
Republic of China

February 15, 2017

Notice to Readers

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2016 and 2015

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2016	%	December 31, 2015	%
Current assets					
Cash and cash equivalents	4, 6(1)	$ 15,302,189	30.39	$ 15,444,750	28.68
Financial assets at fair value through profit or loss-current	4, 6(2)	171,055	0.34	36,165	0.07
Hedging derivative financial assets-current	4, 12	146,604	0.29	29,374	0.05
Note receivables, net	4	54,056	0.11	114,638	0.21
Trade receivables, net	4, 6(5)	17,534,750	34.82	19,746,222	36.67
Trade receivables-related parties, net	4, 6(5), 7	229	-	6,201	0.01
Other receivables	4, 8	390,446	0.78	274,126	0.51
Current tax assets	4, 5, 6(22)	12,985	0.02	3,596	0.01
Inventories, net	4, 5, 6(6)	7,175,756	14.25	7,078,454	13.15
Prepayments		467,257	0.93	649,233	1.21
Other current assets		184,701	0.37	168,865	0.31
Total current assets		41,440,028	82.30	43,551,624	80.88
Non-current assets					
Available-for-sale financial assets-noncurrent	4, 6(3)	54,962	0.11	55,429	0.10
Financial assets measured at cost-noncurrent	4, 6(4)	327,480	0.65	329,361	0.61
Investments accounted for using the equity method	4, 6(7)	30,646	0.06	-	-
Property, plant and equipment, net	4, 6(8)	7,543,772	14.98	8,888,079	16.51
Investment property, net	4, 5, 6(9)	192,564	0.38	200,616	0.37
Intangible assets	4, 6(10)	120,774	0.24	131,426	0.24
Deferred tax assets	4, 5, 6(22)	241,359	0.48	239,440	0.45
Other noncurrent assets	8	401,844	0.80	452,442	0.84
Total non-current assets		8,913,401	17.70	10,296,793	19.12
Total assets		$ 50,353,429	100.00	$ 53,848,417	100.00

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2016 and 2015

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	December 31, 2016	%	December 31, 2015	%
Current liabilities					
Short-term borrowings	6(11)	$ 6,622,586	13.15	$ 5,307,590	9.86
Financial liabilities at fair value through profit or loss-current	4, 6(12)	79,603	0.16	33,898	0.06
Hedging derivative financial liabilities-current	4, 12	143,274	0.28	19,061	0.04
Notes payable		2,777	0.01	4,901	0.01
Accounts payables		12,467,378	24.76	14,896,627	27.66
Accounts payables-related parties	7	40,850	0.08	25,524	0.05
Other payables		4,153,319	8.25	4,602,955	8.55
Current tax liabilities	4, 5, 6(22)	970,288	1.93	1,089,663	2.02
Provisions-current	4, 5, 6(15)	849,456	1.69	867,632	1.61
Other current liabilities		856,424	1.69	735,266	1.36
Current portion of long-term borrowings		1,875	-	-	-
Total current liabilities		26,187,830	52.00	27,583,117	51.22
Non-current liabilities					
Long-term borrowings	6(13)	28,125	0.06	328,250	0.61
Deferred tax liabilities	4, 5, 6(22)	62,048	0.12	52,580	0.10
Net defined benefit liabilities-noncurrent	5, 6(14)	297,754	0.59	195,269	0.36
Other noncurrent liabilities		22,997	0.05	27,189	0.05
Total non-current liabilities		410,924	0.82	603,288	1.12
Total liabilities		26,598,754	52.82	28,186,405	52.34
Equity attributable to owners of the parent					
Share capital					
Common stock	6(16)	4,344,231	8.63	5,430,289	10.08
Capital surplus	6(16)	4,627,479	9.19	4,624,208	8.59
Retained earnings	6(16), 6(21)				
Legal reserve		3,201,027	6.36	3,010,522	5.59
Special reserve		1,290,820	2.56	1,290,820	2.40
Unappropriated retained earning		8,841,168	17.56	8,038,464	14.93
Total retained earnings		13,333,015	26.48	12,339,806	22.92
Other equity		(671,630)	(1.33)	876,224	1.63
Non-controlling interests	4, 6(16)	2,121,580	4.21	2,391,485	4.44
Total equity		23,754,675	47.18	25,662,012	47.66
Total liabilities and equity		$ 50,353,429	100.00	$ 53,848,417	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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2016 and 2015

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Note	For the years ended December 31,		For the years ended December 31,	
		2016	%	2015	%
Net sales	4, 5, 6(15), 6(17), 7	$ 57,057,665	100.00	$ 68,160,042	100.00
Operating costs	4, 5, 6(6), 6(10), 6(18), 6(19), 7	47,523,347	83.29	58,776,487	86.23
Gross profit		9,534,318	16.71	9,383,555	13.77
Operating expenses	6(10), 6(14), 6(18), 6(19)				
Selling expenses		1,816,785	3.18	1,742,984	2.56
General and Administrative expenses		2,690,266	4.72	2,627,827	3.85
Research and development expenses		3,055,137	5.35	2,997,092	4.40
Total operating expenses		7,562,188	13.25	7,367,903	10.81
Operating income		1,972,130	3.46	2,015,652	2.96
Non-operating income and expenses					
Other income	6(20)	625,175	1.09	729,451	1.07
Other gains and losses	6(20)	167,914	0.29	103,069	0.15
Finance costs	6(20)	(102,292)	(0.18)	(150,711)	(0.22)
Share of loss of associates and joint ventures accounted for using equity method	6(7)	(2,046)	-	-	-
Total non-operating income and expenses		688,751	1.20	681,809	1.00
Income before income tax		2,660,881	4.66	2,697,461	3.96
Income tax expense	4, 5, 6(22)	(834,788)	(1.46)	(742,252)	(1.09)
Net income		1,826,093	3.20	1,955,209	2.87
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6(21)	(115,948)	(0.20)	87,264	0.13
Income tax related to items that will not be reclassified	6(21), 6(22)	19,711	0.03	(14,835)	(0.02)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(21)	(1,650,870)	(2.89)	(318,467)	(0.47)
Unrealized loss on available-for-sale financial assets	6(21)	(467)	-	(17,777)	(0.03)
(Loss) gain on effective portion of cash flow hedges	6(21)	(5,839)	(0.01)	8,646	0.01
Income tax related to items that may be reclassified subsequently to profit or loss	6(21), 6(22)	1,244	-	(1,444)	-
Other comprehensive loss, net of tax		(1,752,169)	(3.07)	(256,613)	(0.38)
Total comprehensive income		$ 73,924	0.13	$ 1,698,596	2.49
Net income for the periods attributable to :					
Shareholders of the parent	6(23)	$ 1,964,534		$ 1,905,047	
Non-controlling interests	6(16), 6(25)	$ (138,441)		$ 50,162	
Total comprehensive income for the periods attributable to :					
Shareholders of the parent		$ 319,958		$ 1,658,491	
Non-controlling interests		$ (246,034)		$ 40,105	
Basic Earnings Per Share (in New Taiwan Dollars)	6(23)	$ 4.01		$ 3.51	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(23)	$ 3.92		$ 3.42	

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2016 and 2015

(Amounts in thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent										
			Retained earnings			Other equity					
Description	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earning	Exchange differences on translation of foreign operations	Unrealized losses from available-for-sale financial assets	Effective hedging instrument from cash flow hedge	Total	Non-controlling interests	Total equity
Balance as of January 1, 2015	$ 5,430,289	$ 4,624,156	$ 2,726,410	$ 1,290,820	$ 8,319,669	$ 1,206,092	$ (16,869)	$ 763	$ 23,581,330	$ 2,442,023	$ 26,023,353
Acquisition or disposal of the interest of subsidiaries	-	52	-	-	(68,745)	-	-	-	(68,693)	(359)	(69,052)
Appropriation and distribution of 2014 earnings:											
Legal reserve	-	-	284,112	-	(284,112)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,900,601)	-	-	-	(1,900,601)	-	(1,900,601)
Net income for the year ended December 31, 2015	-	-	-	-	1,905,047	-	-	-	1,905,047	50,162	1,955,209
Other comprehensive income for the year ended December 31, 2015	-	-	-	-	67,206	(303,187)	(17,777)	7,202	(246,556)	(10,057)	(256,613)
Total comprehensive income	-	-	-	-	1,972,253	(303,187)	(17,777)	7,202	1,658,491	40,105	1,698,596
Decrease of non-controlling interests	-	-	-	-	-	-	-	-	-	(90,284)	(90,284)
Balance as of December 31, 2015	5,430,289	4,624,208	3,010,522	1,290,820	8,038,464	902,905	(34,646)	7,965	23,270,527	2,391,485	25,662,012
Reduction of capital	(1,086,058)	-	-	-	-	-	-	-	(1,086,058)	-	(1,086,058)
Acquisition or disposal of the interest of subsidiaries	-	-	-	-	(60,060)	-	-	-	(60,060)	(752)	(60,812)
Changes in subsidiaries' ownership	-	3,271	-	-	-	-	-	-	3,271	11,041	14,312
Appropriation and distribution of 2015 earnings:											
Legal reserve	-	-	190,505	-	(190,505)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(814,543)	-	-	-	(814,543)	-	(814,543)
Net income for the year ended December 31, 2016	-	-	-	-	1,964,534	-	-	-	1,964,534	(138,441)	1,826,093
Other comprehensive income for the year ended December 31, 2016	-	-	-	-	(96,722)	(1,542,792)	(467)	(4,595)	(1,644,576)	(107,593)	(1,752,169)
Total comprehensive income	-	-	-	-	1,867,812	(1,542,792)	(467)	(4,595)	319,958	(246,034)	73,924
Decrease of non-controlling interests	-	-	-	-	-	-	-	-	-	(34,160)	(34,160)
Balance as of December 31, 2016	$ 4,344,231	$ 4,627,479	$ 3,201,027	$ 1,290,820	$ 8,841,168	$ (639,887)	$ (35,113)	$ 3,370	$ 21,633,095	$ 2,121,580	$ 23,754,675

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2016 and 2015

(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31, 2016	For the years ended December 31, 2015
Cash flows from operating activities :		
Net income before tax	$ 2,660,881	$ 2,697,461
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Bad debt expense	24,413	8,874
Depreciation (including investment property)	1,241,248	1,489,870
Amortization (including other assets-others)	56,540	51,404
Interest expenses	102,292	150,711
Interest income	(255,704)	(345,263)
Dividend income	(7,335)	(24,637)
Transfer of property, plant and equipment to expense	2,470	723
Loss (gain) on disposal of property, plant and equipment	7,392	(811)
Loss on disposal of intangible assets	183	33
Transfer of intangible assets to expense	797	2,792
Loss on disposal of investments	-	1,011
Share of loss of associates and joint ventures	2,046	-
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(89,185)	141,990
Impairment of non-financial assets	103,074	116,204
Changes in operating assets and liabilities:		
Notes receivables	60,582	145,606
Trade receivables	2,188,968	(341,125)
Trade receivables-related parties	5,972	28,466
Other receivables	(103,358)	(36,814)
Inventories	(52,225)	(447,159)
Prepayments	264,582	(71,002)
Other current assets	(15,836)	4,617
Notes payables	(2,124)	381
Accounts payables	(2,429,249)	(1,144,265)
Accounts payables-related parties	15,326	(73,779)
Other payables	(422,728)	(458,244)
Provision-current	(18,176)	73,582
Other current liabilities	119,384	(149,395)
Net defined benefit liabilities	(13,463)	(28,595)
Cash generated from operating activities	3,446,767	1,792,636
Dividend received	7,335	24,637
Interest received	242,942	357,530
Interest paid	(129,200)	(135,974)
Income tax paid	(935,048)	(798,771)
Net cash provided by operating activities	2,632,796	1,240,058

Description	For the years ended December 31, 2016	For the years ended December 31, 2015
Cash flows from investing activities :		
Acquisition of financial assets at cost	(16,192)	(2,720)
Acquisition of investments accounted for using the equity method	(29,925)	-
Acquisition of subsidiaries (net of cash acquires)	(20,531)	(69,052)
Proceeds from disposal of available-for-sale financial assets	-	10,048
Acquisition of property, plant and equipment	(647,885)	(1,082,345)
Proceeds from disposal of property, plant and equipment	177,632	86,911
Acquisition of intangible assets	(31,773)	(81,212)
Decrease (increase) in other noncurrent assets	25,883	(106,768)
Net cash used in investing activities	(542,791)	(1,245,138)
Cash flows from financing activities :		
Increase in short-term borrowings	1,316,871	242,981
(Decrease) increase in long-term bank borrowings	(300,125)	328,250
Reduction of capital	(1,086,058)	-
Decrease in other noncurrent liabilities	(4,192)	(3,851)
Cash dividends	(814,543)	(1,900,601)
Acquisition of subsidiaries' ownership	(61,110)	-
Decrease in non-controlling interests	(22,614)	(90,284)
Net cash used in financing activities	(971,771)	(1,423,505)
Effect of exchange rate changes on cash and cash equivalents	(1,260,795)	(193,281)
Net decrease in cash and cash equivalents	(142,561)	(1,621,866)
Cash and cash equivalents at the beginning of the period	15,444,750	17,066,616
Cash and cash equivalents at the end of the period	$ 15,302,189	$ 15,444,750

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

CORETRONIC CORPORATION AND SUBSIDIARIES NOTES
TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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 February 15, 2017.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

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

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Dates
IAS 36	Impairment of Assets	January 1, 2014
IFRIC 21	Levies	January 1, 2014
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014
IAS 19	Employee Benefits (Amendment) – Defined benefit plans: employee contributions	July 1, 2014

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Dates
Improvements to International Financial Reporting Standards (2010-2012 cycle) :		
IFRS 2	Share-based Payment	July 1, 2014
IFRS 3	Business Combinations	July 1, 2014
IFRS 8	Operating Segments	July 1, 2014
IFRS 13	Fair Value Measurement	—
IAS 16	Property, Plant and Equipment	July 1, 2014
IAS 24	Related Party Disclosures	July 1, 2014
IAS 38	Intangible Assets	July 1, 2014
Improvements to International Financial Reporting Standards (2011-2013 cycle) :		
IFRS 1	First-time Adoption of International Financial Reporting Standards	—
IFRS 3	Business Combinations	July 1, 2014
IFRS 13	Fair Value Measurement	July 1, 2014
IAS 40	Investment Property	July 1, 2014
IFRS 14	Regulatory Deferral Accounts	January 1, 2016
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016
IAS 16 and IAS 41	Agriculture: Bearer Plants	January 1, 2016
IAS 27	Equity Method in Separate Financial Statements	January 1, 2016
Improvements to International Financial Reporting Standards (2012-2014 cycle) :		
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	January 1, 2016
IFRS 7	Financial Instruments: Disclosures	January 1, 2016
IAS 19	Employee Benefits	January 1, 2016
IAS 34	Interim Financial Reporting	January 1, 2016
IAS 1	Disclosure Initiative	January 1, 2016
IFRS 10, IFRS 12 and IAS 28	Investment Entities - Applying the Consolidation Exception	January 1, 2016

The potential effects of adopting the standards or interpretations issued by International Accounting Standards Board ("IASB") and endorsed by FSC on the Group's financial statements at January 1, 2017 are summarized as below:

IAS 36 “Impairment of Assets” (Amendment)

This amendments relate to the amendments issued in May 2011 and require entities to disclose the recoverable amount of an asset (including goodwill) or a cash-generating unit when an impairment loss has been recognized or reversed during the period. The amendments also require detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed, including valuation techniques used, level of fair value hierarchy of assets and key assumptions used in measurement. The amendments are effective for annual periods beginning on or after January 1, 2014.

IAS 39 “Financial Instruments: Recognition and Measurement” (Amendment) - Novation of Derivatives and Continuation of Hedge Accounting

Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The interpretation is effective for annual periods beginning on or after January 1, 2014.

IAS 19 “Employee Benefits” (Defined benefit plans: employee contributions)

The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to provide a policy choice for a simplified accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments are effective for annual periods beginning on or after July 1, 2014.

Improvements to International Financial Reporting Standards (2010-2012 cycle):

IFRS 2 “Share-based Payment”

The annual improvements amend the definitions of ‘vesting condition’ and ‘market condition’ and add definitions for ‘performance condition’ and ‘service condition’ (which were previously part of the definition of ‘vesting condition’). The amendments prospectively apply to share-based payment transactions for which the grant date is on or after July 1, 2014.

IFRS 3 "Business Combinations"

The amendments include: (1) deleting the reference to "other applicable IFRSs" in the classification requirements; (2) deleting the reference to "IAS 37 Provisions, Contingent Liabilities and Contingent Assets or other IFRSs as appropriate", other contingent consideration that is not within the scope of IFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognized in profit or loss; (3) amending the classification requirements of IFRS 9 Financial Instruments to clarify that contingent consideration that is a financial asset or financial liability can only be measured at fair value, with changes in fair value being presented in profit or loss depending on the requirements of IFRS 9. The amendments apply prospectively to business combinations for which the acquisition date is on or after July 1, 2014.

IFRS 8 "Operating Segments"

The amendments require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. The amendments also clarify that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. The amendments are effective for annual periods beginning on or after July 1, 2014.

IFRS 13 "Fair Value Measurement"

The amendments to the Basis for Conclusions of IFRS 13 clarify that when deleting paragraph B5.4.12 of IFRS 9 Financial Instruments and paragraph AG79 of IAS 39 Financial Instruments: Recognition and Measurement as consequential amendments from IFRS 13 Fair Value Measurement, the IASB did not intend to change the measurement requirements for short-term receivables and payables.

IAS 16 "Property, Plant and Equipment"

The amendments clarify that when an item of property, plant and equipment is revalued, the accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset. The amendments are effective for annual periods beginning on or after July 1, 2014.

IAS 24 "Related Party Disclosures"

The amendments clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. The amendments are effective for annual periods beginning on or after July 1, 2014.

IAS 38 “Intangible Assets”

The amendments clarify that when an intangible asset is revalued, the accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset. The amendments are effective for annual periods beginning on or after July 1, 2014.

Improvements to International Financial Reporting Standards (2011-2013 cycle):

IFRS 1 “First-time Adoption of International Financial Reporting Standards”

The amendments clarify that an entity, in its first IFRS financial statements, has the choice between applying an existing and currently effective IFRS or applying early a new or revised IFRS that is not yet mandatorily effective, provided that the new or revised IFRS permits early application.

IFRS 3 “Business Combinations”

This amendments clarify that paragraph 2(a) of IFRS 3 Business Combinations excludes the formation of all types of joint arrangements as defined in IFRS 11 Joint Arrangements from the scope of IFRS 3; and the scope exception only applies to the financial statements of the joint venture or the joint operation itself. The amendments are effective for annual periods beginning on or after July 1, 2014.

IFRS 13 “Fair Value Measurement”

The amendments clarify that paragraph 52 of IFRS 13 includes a scope exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis. The objective of the amendments is to clarify that this portfolio exception applies to all contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation. The amendments are effective for annual periods beginning on or after July 1, 2014.

IAS 40 “Investment Property”

The amendments clarify the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property; in determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property, separate application of both standards independently of each other is required. The amendments are effective for annual periods beginning on or after July 1, 2014.

IFRS 14 “Regulatory Deferral Accounts”

IFRS 14 permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognize such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. IFRS 14 is effective for annual periods beginning on or after January 1, 2016.

IFRS 11 “Joint Arrangements” (Accounting for Acquisitions of Interests in Joint Operations)

The amendments provide new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments require the entity to apply all of the principles on business combinations accounting in IFRS 3 “Business Combinations”, and other IFRS (that do not conflict with the guidance in IFRS 11), to the extent of its share in a joint operation acquired. The amendments also require certain disclosure. The amendments are effective for annual periods beginning on or after January 1, 2016.

IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets” — Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify that the use of revenue-based methods to calculate depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset, such as selling activities and change in sales volumes or prices. The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The amendments are effective for annual periods beginning on or after January 1, 2016.

Improvements to International Financial Reporting Standards (2012-2014 cycle):

IFRS 7 “Financial Instruments: Disclosures”

The amendments clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset and therefore the disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety under IFRS 7 Financial Instruments: Disclosures is required. The amendments also clarify that whether the IFRS 7 disclosure related to the offsetting of financial assets and financial liabilities are required to be included in the condensed interim financial report would depend on the requirements under IAS 34 Interim Financial Reporting. The amendments are effective for annual periods beginning on or after January 1, 2016.

IAS 19 “Employee Benefits”

The amendments clarify the requirement under IAS 19.83, that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. The amendments are effective for annual periods beginning on or after January 1, 2016.

IAS 34 “Interim Financial Reporting”

The amendments clarify what is meant by “elsewhere in the interim financial report” under IAS 34; the amendments state that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. The amendments are effective for annual periods beginning on or after January 1, 2016.

Disclosure Initiative — Amendment to IAS 1 "Presentation of Financial Statements":

The amendments contain (1) clarifying that an entity must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. The amendments reemphasize that, when a standard requires a specific disclosure, the information must be assessed to determine whether it is material and, consequently, whether presentation or disclosure of that information is warranted, (2) clarifying that specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated, and how an entity shall present additional subtotals, (3) clarifying that entities have flexibility as to the order in which they present the notes to financial statements, but also emphasize that understandability and comparability should be considered by an entity when deciding on that order, (4) removing the examples of the income taxes accounting policy and the foreign currency accounting policy, as these were considered unhelpful in illustrating what significant accounting policies could be, and (5) clarifying that the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The amendments are effective for annual periods beginning on or after January 1, 2016.

The abovementioned standards and interpretations issued by IASB and recognized by FSC so that they are applicable for annual periods beginning on or after January 1, 2017. Apart from the above items which would have potential impact on the Group, the remaining standards and interpretations have no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by IASB but not yet recognized by FSC at the date of issuance of the Group's financial statements are listed below:

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Dates
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 9	Financial Instruments	January 1, 2018
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	—
IFRS 16	Leases	January 1, 2019
IAS 12	Recognition of Deferred Tax Assets for Unrealized Losses	January 1, 2017
IAS 7	Disclosure Initiative	January 1, 2017
IFRS 15	Revenue from Contracts with Customers (Clarification)	January 1, 2018

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

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

IFRS 15 "Revenue from Contracts with Customers"

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

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

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

IFRS 9 “Financial Instruments”

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

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

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

Hedge accounting: Hedge accounting is more closely aligned with risk management activities and hedge effectiveness is measured based on the hedge ratio. The new standard is effective for annual periods beginning on or after January 1, 2018.

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

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

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

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

IFRS 16"Leases"

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

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

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

Disclosure Initiative — Amendment to IAS 7 "Statement of Cash Flows":

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

IFRS 15 "Revenue from Contracts with Customers" — Clarifications to IFRS 15

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

Transfers of Investment Property — Amendments to IAS 40

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

IFRIC 22 "Foreign Currency Transactions and Advance Consideration"

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The Group's consolidated financial statements for the year 2016 and 2015 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and TIFRS as endorsed 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;
B. rights arising from other contractual arrangements;
C. CORE's voting rights and potential voting rights.

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

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group 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:

			Percentage of Ownership	
Subsidiary	Relationship	Business nature	December 31, 2016	December 31, 2015
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%
Visicorp Limited ("Visicorp") and its subsidiaries	Subsidiary	Visicorp is a holding company and invests in Mainland China. Visicorp's joint ventures are the R&D, production and marketing of backlight module and its components. The joint ventures also provide after sales services.	100.00%	100.00%
Coretronic (BVI) Investment Corp. ("Coretronic BVI") and its subsidiaries	Subsidiary	BVI is a holding company and invests in Mainland China. BVI's joint ventures are the R&D, production, manufacturing and marketing of digital projector, LCD monitor and its components. The joint ventures also provide after sales services.	100.00%	100.00%

Subsidiary	Relationship	Business nature	Percentage of Ownership December 31, 2016	Percentage of Ownership December 31, 2015
Sinolink Global Limited (“Sinolink”) and its subsidiaries	Subsidiary	Sinolink is a holding company and invests in Mainland China. Sinolink’s joint ventures are the design, R&D, production and marketing of projectors. The joint ventures also provide the after sales services for self-produced and non-self-produced product.	100.00%	100.00%
Young Green Energy Co. (“YGE”) and its subsidiaries	Subsidiary	YGE is engaged in the production, wholesale and retail trade of electronic components, battery, computer and its peripheral devices, and electronic material. YGE’s joint ventures are the R&D, production and marketing of transformers, inductors and power supply related products.	99.91%	99.91%
Young Optics Inc. (“TYO”) and its subsidiaries	Subsidiary	TYO is engaged in the production, marketing and R&D of electronic components and optics. TYO’s joint ventures are the production and after sales services of electronic components, optical modules and components.	46.52%	46.52%
Young Lighting Technology Inc. (“YLT”) and its subsidiaries	Subsidiary	YLT is engaged in the design, production and marketing of general lighting application, electronic components and optical devices. YLT’s joint ventures are the R&D, production, manufacturing and marketing of backlight module, touch module, LCD module, other optical components and lighting application. YLT’s joint ventures also provide after sales services.	100.00%	100.00%

Subsidiary	Relationship	Business nature	Percentage of Ownership December 31, 2016	Percentage of Ownership December 31, 2015
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.	83.40%	83.40%
Chung Tsen Investment Corp. (“CGT”) and its subsidiaries	Subsidiary	CGT is an investment company for strategic purposes.	100.00%	100.00%
Coretronic System Engineering Corporation (“CSEC”) and its subsidiaries	Subsidiary	CSEC is engaged in the production and integration of multimedia products. CSEC’s joint ventures are contractor in intelligent building engineering and provide services to customers from various domains.	100.00%	100.00%
Coretronic Venture Capital Co. (“CVC”)	Subsidiary	The investment activities of company’s business expansion	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) The Group acquired 7,000 shares of Optoma in cash in the amount of NT$67 thousand in 2015. The ownership percentage increased to 68.94% accordingly. The ownership percentages of Optoma held by CGT and Tsen Ming Investment were 6.55% and 7.91%, respectively. The total ownership percentage of Optoma reached 83.40% as at December 31, 2016.

(b) Based on the Group's operation plans, the ownership of Brightbridge Resources Limited ("Brightbridge") and Crystal World Finance Limited ("Crystal") was transferred from Wisdom Success Limited to Young Lighting Limited on November 1, 2015. The ownership of Coretronic Display (Suzhou) Co., Ltd. held by Brightbridge and Crystal was transferred accordingly. The ownership transfer had no impact on the Group. The Group still holds full ownership of the subsidiary.

(c) TYO acquired the shares of Young Optics Europe GmbH ("EYO") in the second quarter of 2015 and completed related registration processes. TYO held 75% shares of EYO as of December 31, 2016. EYO was included in the consolidated entities since the acquisition date.

(d) Wisdom Success Hong Kong Limited established Coretronic Optotech (Suzhou) Co., Ltd. ("SZT") in August 2015 and completed related registration processes. SZT's issued capital was US$12,000 thousand. The ownership percentage of SZT was 100% as of December 31, 2016. SZT was included in the consolidated entities since the acquisition date.

(e) Aptek Optical Corp. ("Aptek"), one of TYO's subsidiary, raised NT$50,000 thousand through capital increase. Aptek issued new shares, and 15% of such new shares were retained for employees of Aptek. TYO took part in 85% of the capital increase, and the ownership percentage decreased from 100% to 92.5% accordingly.

(f) TYO acquired 99% shares of Mejiro Genossen Inc. in cash amounted to JPY$96,850,908 in July 2016, and it was included in the consolidated entities since the acquisition date.

(4) Foreign Currency Transactions

The Group's consolidated financial statements are presented in NT$, which is also the parent group's functional currency. Each entity in the Group determines its functional currency upon its primary economic environment and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are accounted for based on the accounting policy for financial instruments.

C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of Foreign Currency Financial Statements

The assets and liabilities of foreign operations are translated into New Taiwan Dollars at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. On the partial disposal of foreign operations that result in a loss of control, loss of significant influence or joint control but retain partial equity is considering as disposal.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) <u>Current and Non-Current Distinction</u>

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle

B. The Group holds the asset primarily for the purpose of trading

C. The Group expects to realize the asset within twelve months after the reporting period

D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Group expects to settle the liability in its normal operating cycle

B. The Group holds the liability primarily for the purpose of trading

C. The liability is due to be settled within twelve months after the reporting period

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

All other liabilities are classified as non-current.

(7) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, including time deposits with original maturities of twelve months or less.

(8) Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial assets

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

Financial assets of the Group are classified as financial assets at fair value through profit or loss, available-for-sale financial assets and loans and receivables. The Group determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss.

A financial asset is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in short term;

(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss; or a financial asset may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or

(b) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Financial assets at fair value through profit or loss are measured at fair value with changes in fair value recognized in profit or loss. Dividends or interests on financial assets at fair value through profit or loss are recognized in profit or loss (including those received during the period of initial investment).

If financial assets do not have quoted prices in an active market and their fair value cannot be reliably measured, then they are classified as financial assets measured at cost on balance sheet and carried at cost net of accumulated impairment losses, if any, as at the reporting date.

Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are designated as available-for-sale or those not classified as financial assets at fair value through profit or loss, held-to-maturity financial assets, or loans and receivables.

Foreign exchange gains and losses and interest calculated using the effective interest method relating to monetary available-for-sale financial assets, or dividends on an available-for-sale equity instrument, are recognized in profit or loss. Subsequent measurement of available-for-sale financial assets at fair value is recognized in equity until the investment is derecognized, at which time the cumulative gain or loss is recognized in profit or loss.

If equity instrument investments do not have quoted prices in an active market and their fair value cannot be reliably measured, then they are classified as financial assets measured at cost on balance sheet and carried at cost net of accumulated impairment losses, if any, as at the reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group upon initial recognition designates as available for sale, classified as at fair value through profit or loss, or those for which the holder may not recover substantially all of its initial investment.

Loans and receivables are separately presented on the balance sheet as receivables or debt instrument investment for which no active market exists. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or transaction costs. The effective interest method amortization is recognized in profit or loss.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that an individual or a group of financial asset other than the financial assets at fair value through profit or loss is impaired. An individual or a group of financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset. The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. A significant or prolonged decline in the fair value of an available-for-sale equity instrument below its cost is considered a loss event.

Other loss events include:

(a) significant financial difficulty of the issuer or obligor; or

(b) a breach of contract, such as a default or delinquency in interest or principal payments; or

(c) it becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

(d) the disappearance of an active market for that financial asset because of financial difficulties.

For held-to-maturity financial assets and loans and receivables measured at amortized cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial asset that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exits for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. Interest income is accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

In the case of equity instruments classified as available-for-sale, where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss - is removed from other comprehensive income and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recognized in profit or loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired

(b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred

(c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

B. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) It is acquired or incurred principally for the purpose of selling or repurchasing it in short term.

(b) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

(c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency or

(b) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel

Gains or losses on the subsequent measurement of liabilities held for trading including interest paid are recognized in profit or loss.

If the financial liabilities at fair value through profit or loss do not have quoted prices in an active market and their fair value cannot be reliably measured, then they are classified as financial liabilities measured at cost on balance sheet and carried at cost as at the reporting date.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When the Group and the creditors have a significant difference between the terms of the debt instruments to exchange, or make significant changes to all or part of the existing financial liabilities (no matter due to financial difficulties or not), deal with the way to exclude original liabilities and recognize new liabilities, when exclude the financial liabilities, the difference between book value and the total amount paid or payable (Including transferred non-cash assets or liabilities assumed) is recognized in profit or loss.

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative Financial Instrument

The Group uses derivative financial instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss (held for trading) except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges and hedges of net investments in foreign operations, which is recognized in equity.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

(10) Fair Value Measurement

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability; or

B. In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques which are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are stated at acquisition cost, and the cost is measured by standard cost method. The Group considers the normal level of materials, labors, efficiency and equipment capacity when making regular reviews and adjustments according to the current situation.

Inventories are valued at lower of cost and net realizable item. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale.

(12) Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 “Property, plant and equipment”. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Name	Years
Buildings and facilities	2～50 years
Machinery and equipment	2～10 years
Transportation equipment	4～9 years
Furniture and fixtures	2～10 years
Leasing assets	2～5 years
Leasehold improvement	1～11 years
Miscellaneous equipment	3～15 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

(13) Investment Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are measured using the cost model in accordance with the requirements of IAS 16 for that model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Name	Years
Buildings	10～30 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Assets are transferred to or from investment properties when there is a change in use.

(14) Leases

The Group as a lessee

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in profit or loss.

The leased assets are depreciated against the useful life of the asset, only if it can't be reasonable determine the group will acquire the ownership off this asset when the leasing period expires, depreciation by which shorter of estimated durability years or Lease period.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Rent revenues form operation leases is according to straight-line method of lease period. Contingent rental recognize income during the earning of the rent.

(15) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each fiscal year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and is treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in other operating income and expenses.

Developing intangible assets - research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

A. The technical feasibility of completing the intangible asset so that it will be available for use or sale

B. Its intention to complete and its ability to use or sell the asset

C. How the asset will generate future economic benefits

D. The availability of resources to complete the asset

E. The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

Patent rights and trademark rights

The patent rights have been granted by the relevant enterprise for fifteen years; and the trademark rights have been granted the right to use between six and ten years.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (1 to 5 years).

(16) Impairment of Non-Financial Assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 "Impairment of Assets" may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Maintenance warranties

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

Sales returns and allowances

A provision has been recognized for sales returns and allowances based on past experience and other known factors.

(18) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

A. the significant risks and rewards of ownership of the goods have passed to the buyer;

B. neither continuing managerial involvement nor effective control over the goods sold have been retained;

C. the amount of revenue can be measured reliably;

D. it is probable that the economic benefits associated with the transaction will flow to the entity; and

E. the costs incurred in respect of the transaction can be measured reliably.

Interest income

For all financial assets measured at amortized cost (including loans and receivables and held-to-maturity financial assets) and available-for-sale financial assets, interest income is recorded using the effective interest rate method and recognized in profit or loss.

Dividends

Revenue is recognized when the Group’s right to receive the payment is established.

(19) Post-Employment Benefits

All regular employees of the Group and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Group and its domestic subsidiaries. Therefore, fund assets are not included in the Group’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Group and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Group recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Remeasurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. The date of the plan amendment or curtailment; and

B. The date that the Group recognizes related restructuring or termination costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

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.

(20) Income Tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

Income tax on unappropriated earnings (excluding earnings from foreign consolidated subsidiaries) at a rate of 10% is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

B. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

B. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(21) Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where the disposition consists of the cash generating unit of goodwill, the book value of this part includes goodwill relating to the disposal of the business. The amount of goodwill is measured on the basis of the relative recoverable amount of the disposition and the retained portion.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

A. Investment properties

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment properties and property, plant and equipment.

B. Operating lease commitments – the Group for lessor

The Group has entered into a commercial real estate lease for the investment real estate portfolio. Based on the assessment of its agreed terms, the Group retains the significant risks and rewards of these real estate ownership and treats such leases in business leases.

(2) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Valuation of inventory

Inventories are stated at the lower of cost or net realizable value, and the Group uses judgment and estimates to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid technological changes, the Group estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventories is mainly determined based on assumptions of future demand within a specific time period, therefore material adjustments may occur.

C. Impairment of nonfinancial assets

When the carrying amount of the asset or cash generating unit is greater than its recoverable amount, the impairment occurs. Recyclable amount refers to the fair value of the sub-divided costs and the use of the value of both the higher. The calculation of the fair value reduction is based on the price or the market price of the asset under a binding sales agreement under a fair trade and the amount directly after deducting the incremental cost of the disposable asset. The use value is based on the calculation of the cash flow discount model. The cash flow is based on the budget for the next five years and does not include any significant future investment required by the Group's unencumbered restructuring or to enhance the performance of the unit's assets in order to strengthen the tested cash. Recoverable amounts are susceptible to the discount rate used in the cash flow discount model and the expected future cash inflows and growth rates used for extrapolation purposes. The main assumptions are used to determine the amount of recoverable amounts of different cash generating units, including sensitivity analysis.

D. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and future salary increases. Please refer to Note 6 for more details.

E. Maintenance warranties

The provision of maintenance warranties for goods sold is based on historical experience and the specific ratios determined by other known causes to estimate the possible product warranty and maintenance that may occur. The provision is recognized in the account of cost of goods sold when goods in the selling year. Management of the Group regularly examines the reasonableness of the estimates. Refer to Note 15 for more details.

F. Revenue recognition - sales returns and allowance

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the sales. Please refer to Note 17 for more details.

G. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could cause future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective group's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	As of December 31,	
	2016	2015
Cash on hand, savings and checking accounts	$4,233,486	$7,214,522
Time deposits	11,068,703	8,230,228
Total	$15,302,189	$15,444,750

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

	As of December 31,	
	2016	2015
Held for trading		
Derivative not designated as hedging instruments		
Forward foreign exchange contracts	$162,609	$32,547
Forward cross currency contracts	8,446	3,618
Subtotal	$171,055	$36,165
Current	$171,055	$36,165
Noncurrent	-	-
Total	$171,055	$36,165

Financial assets held for trading were not pledged.

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

	As of December 31,	
	2016	2015
Stocks－Celxpert Energy Corporation	$54,962	$55,429

Available-for-sale financial assets were not pledged.

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

	As of December 31,	
	2016	2015
Available-For-Sale Financial Assets		
SHIEH YONG INVESTMENT Co., LTD.	$210,787	$210,787
Unitech Capital, Inc.	61,710	62,811
Excel Global Limited (“Excel”)	26,389	35,598
Nightingale Intelligent System, Inc.	17,966	-
View Sonic Corp.	7,687	7,824
GLO AB	2,720	2,720
Maxiam Ventures I Inc.	221	221
LIULIGONGFANG Corp. (“LIULI”)	-	9,400
Total	$327,480	$329,361

As LIULI's operation worsened, its board of directors approved a capital reduction plan to make up for its losses with a reduction rate of 95.85% on October 2, 2015. The Group assessed that Optoma's investment in LIULI was impaired and recognized an impairment loss of NT$76,642 thousand in 2015. For continued worsening in operating condition, Optoma assessed investment in Excel and LIULI were impaired and recognized an impairment loss of NT$18,609 thousand during the year of 2016.

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

Financial assets measured at cost were not pledged.

(5) Trade Receivables and Trade Receivables-Related Parties

	As of December 31,	
	2016	2015
Trade receivable	$17,579,127	$19,783,313
Less: allowance for doubtful accounts	(44,377)	(37,091)
Subtotal	17,534,750	19,746,222
Trade receivables for related parties	229	6,201
Total	$17,534,979	$19,752,423

Trade receivables were not pledged.

Trade receivables are generally on 30-150 day terms. The movements in the provision for impairment of trade receivables and trade receivables-related parties are as follow (please refer to Note 12(4) for credit risk disclosure):

	Collectively impaired
As of January 1, 2016	$37,091
Charge for the current period	24,413
Write-off for uncollectable accounts	(15,219)
Exchange differences	(1,908)
As of December 31, 2016	$44,377
As of January 1, 2015	$334,485
Charge for the current period	8,874
Write-off for uncollectable accounts	(298,807)
Exchange differences	(7,461)
As of December 31, 2015	$37,091

There is no impairment loss as a result of individual valuation of trade receivables for the years ended December 31, 2016 and 2015.

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

		Past due but not impaired					
As of	Neither past due nor impaired	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	Total
December 31, 2016	$15,616,365	$1,753,693	$141,710	$15,779	$3,453	$3,979	$17,534,979
December 31, 2015	$17,762,309	$1,869,010	$115,757	$2,042	$1,525	$1,780	$19,752,423

The Group entered into factoring contracts without recourse with a number of domestic banks. Said 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 December 31, 2016 and 2015, trade receivables derecognized were as follows:

Acquisition object	As of December 31, 2016	Interest rate range	Credit line (US $'000)
CTBC Bank	$-	Floating rate	$80,000

Acquisition object	As of December 31, 2015	Interest rate range	Credit line (US $'000)
CTBC Bank	$684,918	Floating rate	$80,000
TC Bank	1,459,959	Fixed rate	$80,000
Total	$2,144,877		

(6) Inventories

	As of December	
	2016	2015
Raw materials and Supplies	$4,024,837	$3,642,214
Work in process	508,276	207,050
Finished goods	2,642,643	3,229,190
Net	$7,175,756	$7,078,454

The cost of inventories recognized in expenses amounted to NT$47,523,347 thousand and NT$58,776,487 thousand for the years ended December 31, 2016 and 2015, including the write-down of inventories and obsolescence loss of NT$245,361 thousand and NT$195,207 thousand.

The allowance write-down of inventories amount to NT$486,063 thousand and NT$461,760 thousand for the years ended December 31, 2016 and 2015.

No inventories were pledged.

(7) Investments Accounted for Using the Equity Method

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

Investees	As of December 31, 2016	
	Carrying Amount	Percentage of ownership (%)
Investments in associates:		
Genejet Biotech Co., Ltd. ("Genejet")	$30,646	19.51%

There is no investment accounted for using the equity method during in 2015.

The Group acquired 22.27% of Genejet in March 2016. The investment price was paid in cash in the amount of NT$29,925 thousand. The Group did not participate in the capital increase in September 2016, and the ownership percentage decreased to 19.51% accordingly. The Group still recognized the investment accounted for using the equity method. The investment had no significant impact on the Group. The carrying amount of the Group's investment in Genejet was NT$30,646 thousand as of December 31, 2016, and the Group recognized share of profit or loss of these associates and joint ventures in the amount of NT$2,046 thousand as of December 31, 2016.

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

(8) Property, Plant and Equipment

	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, 2016	$23,900	$6,893,351	$6,490,440	$682,454	$95,190	$2,044	$999,614	$2,378,411	$239,780	$17,805,184
Additions	-	55,805	82,556	24,308	3,261	-	49,842	236,100	196,013	647,885
Acquisitions through business combinations	-	24	10	-	-	-	-	1,432	-	1,466
Disposals	-	(7,222)	(495,017)	(114,758)	(12,730)	-	(127,926)	(235,473)	-	(993,126)
Transfers	-	31,825	(436,077)	1,936	195	-	5,409	146,885	(234,644)	(484,471)
Exchange differences	-	(254,266)	(399,480)	(43,684)	(7,112)	(36)	(72,045)	(183,597)	(3,014)	(963,234)
As of December 31, 2016	$23,900	$6,719,517	$5,242,432	$550,256	$78,804	$2,008	$854,894	$2,343,758	$198,135	$16,013,704
As of January 1, 2015	$23,900	$6,998,659	$6,653,522	$676,735	$110,090	$1,734	$2,427,828	$2,417,919	$132,975	$19,443,362
Additions	-	38,943	130,611	42,929	4,010	-	13,389	231,810	620,653	1,082,345
Disposals	-	(393,444)	(232,609)	(42,181)	(19,542)	-	(1,372,780)	(362,895)	-	(2,423,451)
Transfers	-	314,173	62,334	16,437	2,855	235	(26,861)	136,910	(509,834)	(3,751)
Exchange differences	-	(64,980)	(123,418)	(11,466)	(2,223)	75	(41,962)	(45,333)	(4,014)	(293,321)
As of December 31, 2015	$23,900	$6,893,351	$6,490,440	$682,454	$95,190	$2,044	$999,614	$2,378,411	$239,780	$17,805,184
Depreciation and Impairment:										
As of January 1, 2016	$-	$2,195,736	$3,526,151	$522,638	$71,425	$2,044	$761,004	$1,838,107	$-	$8,917,105
Depreciation	-	295,633	514,706	44,435	7,163	-	103,028	268,231	-	1,233,196
Disposals	-	(6,309)	(365,347)	(96,315)	(11,983)	-	(112,664)	(215,484)	-	(808,102)
Transfers	-	-	(386,564)	-	-	-	-	(12,631)	-	(399,195)
Impairment losses	-	316	59,803	969	279	-	6,770	16,328	-	84,465
Exchange differences	-	(95,057)	(232,894)	(35,871)	(5,527)	(36)	(52,876)	(135,276)	-	(557,537)
As of December 31, 2016	$-	$2,390,319	$3,115,855	$435,856	$61,357	$2,008	$705,262	$1,759,275	$-	$8,469,932
As of January 1, 2015	$-	$2,307,955	$3,195,113	$483,983	$82,651	$1,434	$1,954,586	$1,926,608	$-	$9,952,330
Depreciation	-	281,903	624,781	60,536	8,473	327	210,217	295,580	-	1,481,817
Disposals	-	(393,444)	(180,891)	(35,520)	(17,964)	-	(1,364,738)	(344,794)	-	(2,337,351)
Transfers	-	18,816	(59,305)	22,414	-	207	(11,785)	(11,802)	-	(41,455)
Impairment losses	-	3,871	8,442	-	-	-	1,038	7,796	-	21,147
Exchange differences	-	(23,365)	(61,989)	(8,775)	(1,735)	76	(28,314)	(35,281)	-	(159,383)
As of December 31, 2015	$-	$2,195,736	$3,526,151	$522,638	$71,425	$2,044	$761,004	$1,838,107	$-	$8,917,105
Net carrying amounts as of:										
As of December 31, 2016	$23,900	$4,329,198	$2,126,577	$114,400	$17,447	$-	$149,632	$584,483	$198,135	$7,543,772
As of December 31, 2015	$23,900	$4,697,615	$2,964,289	$159,816	$23,765	$-	$238,610	$540,304	$239,780	$8,888,079

The Group evaluated the economic benefits for property, plant and equipment. The impairment loss for the years ended December 31, 2016 and 2015 was $84,465 thousand and $21,147 thousand, respectively and has been recognized in the Statements of comprehensive income, the items are as follows:

	As of December 31,	
	2016	2015
Property, Plant and Equipment		
Buildings	$316	$3,871
Machinery and equipment	59,803	8,442
Office fixtures	969	-
Transportation equipment	279	-
Leasehold improvement	6,770	1,038
Other Equipment	16,328	7,796
Total	$84,465	$21,147

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

(9) Investment Property

	Buildings
Cost:	
As of January 1, 2016	$244,538
Additions from acquisitions	-
Additions from subsequent expenditure	-
Disposals	-
As of December 31, 2016	$244,538
As of January 1, 2015	$244,538
Additions from acquisitions	-
Additions from subsequent expenditure	-
Disposals	-
As of December 31, 2015	$244,538
Depreciation and Impairment:	
As of January 1, 2016	$43,922
Depreciation	8,052
Transfers－Reclassifications	-
As of December 31, 2016	$51,974

	Buildings
As of January 1, 2015	$35,869
Depreciation	8,053
Transfers－Reclassifications	-
As of December 31, 2015	$43,922
Net carry amount as of:	
December 31, 2016	$192,564
December 31, 2015	$200,616

	As of December 31,	
	2016	2015
Rental income from investment property	$2,070	$30,292
Less:		
Direct operating expenses from investment property generating rental income	(8,052)	(8,053)
Total	$(5,982)	$22,239

No investment property was pledged.

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized with Level 3. The fair value of investment properties real is NT$226,300 thousand and NT$240,200 thousand as at December 31, 2016 and 2015 respectively. 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:

	As of December 31,	
	2016	2015
Discount rates	4.095%	4.305%
Growth rates	0.5%	0.5%

(10) Intangible Assets

	Trade marks	Patents	Software	IPs	Goodwill	other	Total
Cost:							
As of January 1, 2016	$104,112	$15,500	$148,435	$46,570	$-	$39,117	$353,734
Acquisitions through							
business combinations	-	607	200	3,692	5,940	-	10,439
Additions	-	-	10,832	9,524	-	11,417	31,773
Disposals	-	-	(27,465)	-	-	-	(27,465)
Transfers	-	-	-	-	-	(797)	(797)
Exchange differences	(58)	(62)	(2,553)	-	-	(56)	(2,729)
As of December 31, 2016	$104,054	$16,045	$129,449	$59,786	$5,940	$49,681	$364,955
As of January 1, 2015	$103,994	$15,500	$154,655	$-	$-	$33,007	$307,156
Additions	-	-	25,744	46,570	-	8,898	81,212
Disposals	-	-	(32,516)	-	-	-	(32,516)
Transfers	-	-	796	-	-	(2,792)	(1,996)
Exchange differences	118	-	(244)	-	-	4	(122)
As of December 31, 2015	$104,112	$15,500	$148,435	$46,570	$-	$39,117	$353,734
Amortization and Impairment:							
As of January 1, 2016	$81,225	$5,623	$101,551	$-	$-	$33,909	$222,308
Amortization	3,773	1,131	27,216	8,242	-	10,391	50,753
Disposals	-	-	(27,282)	-	-	-	(27,282)
Exchange differences	(4)	(4)	(1,604)	-	-	14	(1,598)
As of December 31, 2016	$84,994	$6,750	$99,881	$8,242	$-	$44,314	$244,181
As of January 1, 2015	$77,446	$4,534	$100,504	$-	$-	$26,414	$208,898
Amortization	3,770	1,089	30,343	-	-	7,495	42,697
Disposals	-	-	(32,483)	-	-	-	(32,483)
Impairment losses	-	-	3,328	-	-	-	3,328
Exchange differences	9	-	(141)	-	-	-	(132)
As of December 31, 2015	$81,225	$5,623	$101,551	$-	$-	$33,909	$222,308
Net carrying amount as of:							
As of December 31, 2016	$19,060	$9,295	$29,568	$51,544	$5,940	$5,367	$120,774
As of December 31, 2015	$22,887	$9,877	$46,884	$46,570	$-	$5,208	$131,426

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

	As of December 31,	
	2016	2015
Operating Cost	$10,309	$9,429
Selling expenses	7,364	5,463
Administrative expense	16,796	9,904
Research and development expenses	16,284	17,901
Total	$50,753	$42,697

(11) Short-Term Borrowings

	As of December 31,	
	2016	2015
Unsecured bank loans	$6,622,586	$5,307,590
Interest rates (%)	0.72%~1.92%	0.79%~1.15%

The Group's unused short-term lines of credits amounted to NT$39,472,895 thousand and NT$41,665,736 thousand, as of December 31, 2016 and 2015, respectively.

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

	As of December 31,	
	2016	2015
Derivatives not designated as hedging Instruments		
Forward exchange contracts	$79,603	$33,657
Forward cross currency contracts	-	241
Total	$79,603	$33,898

(13) Long-Term Borrowings

Details of long-term borrowings are as follow:

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

Lenders	As of December 31, 2015	Interest Rate (%)	Maturity date and terms of repayment
Unsecured Long-Term Borrowing from First bank	$328,250	0.818%	Effective from February 13, 2015 to February 12, 2017, principle is due at maturity, interest is paid at maturity.
Less: current portion	-		
Total	$328,250		

(14) Post-Employment Benefits

Defined contribution plan

The Group and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Group and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Group and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of Mainland China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended December 31, 2016 and 2015 are NT$458,982 thousand and NT$522,739 thousand, respectively.

Defined benefits plan

The Group and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Group and its domestic subsidiaries contribute an amount equivalent to 2% of the employees’ total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Group and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Group and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT$14,965 thousand to its defined benefit plan during the 12 months beginning after December 31, 2015.

The weighted average duration of the defined benefits plan obligation was 13.97 to 19.69 years and 15 to 19.85 years as of December 31, 2016 and 2015.

Pension costs recognized in profit or loss are as follows:

	As of December 31,	
	2016	2015
Current period service costs	$1,925	$1,644
Net interest on the net defined benefit liabilities (assets)	10,311	12,562
Expect return on plan assets	(6,795)	(6,900)
Settlement profit	-	-
Total	$5,441	$7,306

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	As of December 31,		As of January 1,
	2016	2015	2015
Defined benefit obligation	$658,244	$550,305	$628,345
Plan assets at fair value	(360,490)	(355,036)	(337,275)
Other non-current liabilities —Carrying amount on the net defined benefit liabilities	$297,754	$195,269	$291,070

Reconciliations of liabilities (assets) of the defined benefit plan are as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2015	$628,345	$337,275	$291,070
Current Service Cost	1,644	-	1,644
Interest cost (income)	12,562	6,900	5,662
Past service cost and gains and losses arising from settlements	-	-	-
Subtotal	642,551	344,175	298,376

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
Remeasurements of the defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(89,229)	-	(89,229)
Experience adjustments	4,024	2,059	1,965
Subtotal	(85,205)	2,059	(87,264)
Payments of benefit obligation	(7,041)	(7,041)	-
Contributions by employer	-	15,800	(15,800)
Other	-	43	(43)
As of December 31, 2015	$550,305	$355,036	$195,269
As of January 1, 2016	$550,305	$355,036	$195,269
Current Service Cost	1,925	-	1,925
Interest cost (income)	10,311	6,795	3,516
Past service cost and gains and losses arising from settlements	-	-	-
Subtotal	562,541	361,831	200,710
Determine the number of benefits liabilities / assets:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	103,114	-	103,114
Experience adjustments	8,581	(4,253)	12,834
Subtotal	111,695	(4,253)	115,948
Payments of benefit obligation	(15,992)	(12,371)	(3,621)
Contributions by employer	-	15,283	(15,283)
Other	-	-	-
As of December 31, 2016	$658,244	$360,490	$297,754

The principal assumptions used in determining the Group’s defined benefit plan are shown below:

	As of December 31,	
	2016	2015
Discount rate	1.125%~1.50%	1.875%
Expected rate of salary increases	1.00%~5.00%	2.00%~4.00%

Sensitivity analysis of significant assumption are shown below:

	As of December 31,			
	2016		2015	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.25%	$-	$24,496	$-	$20,484
Discount rate decrease by 0.25%	25,682	-	21,464	-
Future salary increase by 0.25%	24,456	-	20,706	-
Future salary decrease by 0.25%	-	23,471	-	19,892

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(15) Provisions

	Maintenance warranties	Sales returns and allowances	total
As of January 1, 2016	$694,502	$173,130	$867,632
Arising during the period	440,969	320,993	761,962
Utilized	(412,689)	(292,620)	(705,309)
Unused provision reversed	(28,396)	(6,183)	(34,579)
Effect of exchange rate changes	(38,467)	(1,783)	(40,250)
As of December 31, 2016	$655,919	$193,537	$849,456
Current－As of December 31, 2016	$655,919	$193,537	$849,456
Non-Current－As of December 31, 2016	-	-	-
As of December 31, 2016	$655,919	$193,537	$849,456
Current－As of December 31, 2015	$694,502	$173,130	$867,632
Non-Current－As of December 31, 2015	-	-	-
As of December 31, 2015	$694,502	$173,130	$867,632

Maintenance warranties

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

Sales returns and allowances

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

(16) Equities

A. Common stock

CORE's authorized capital was NT$10,000,000 thousand as at December 31, 2016 and 2015, 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 and NT$5,430,289 thousand, divided into 434,423 thousand shares and 543,029 thousand shares as of December 31, 2016 and 2015, respectively. Each share has one voting right and a right to receive dividends.

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

B. Capital surplus

	As of December 31,	
	2016	2015
Additional paid-in capital	$4,437,847	$4,437,847
Treasury Stock transactions	114,569	114,569
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	71,825	71,825
Changes in ownership interests in subsidiaries	3,238	(33)
Total	$4,627,479	$4,624,208

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

C. <u>Retained earnings and dividend policies:</u>

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

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

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

According to Company Act, CORE needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to offset the deficit of CORE. If CORE incurs no loss, it may distribute the portion of legal 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 6 April 2012 issued Order No. Financial-Supervisory-Securities-Corporate-1010012865, which sets out the following provisions for compliance:

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

Details of the 2016 and 2015 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on June 15, 2016 and June 10, 2015, respectively, are as follows:

	Appropriation of earnings		Dividends per share (NT$)	
	2015	2014	2015	2014
Legal reserve	$190,505	$284,112		
Common stock -cash dividend	814,543	1,900,601	$1.5	$3.5

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

D. Non-controlling interests:

	As of December 31,	
	2016	2015
Beginning balance	$2,391,485	$2,442,023
Profit (loss) attributable to non-controlling interests	(138,441)	50,162
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	(108,078)	(15,280)
Remeasurements of defined benefit plans	485	5,223
Acquisition or disposal of the interest of subsidiaries	(752)	-
Changes in subsidiaries' ownership	11,041	(359)
Cash dividends	(34,160)	(90,284)
Ending balance	$2,121,580	$2,391,485

(17) Operating Income

	As of December 31,	
	2016	2015
Sale of goods	$56,757,871	$68,123,695
Less: Sales returns, discounts and allowances	(1,174,917)	(1,604,702)
Revenue arising from rendering of services	741,822	685,937
Other Operating revenues	732,889	955,112
Total	$57,057,665	$68,160,042

(18) Operating Lease

A. Operating lease commitments - the Group as lessee

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

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

Future minimum rentals payable under non-cancelable operating leases as at December 31, 2016 and 2015 are as follows:

	As of December 31,	
	2016	2015
Not later than one year	$80,536	$87,718
Later than one year but not later than five years	132,089	172,889
Later than five years	155,763	171,834
Total	$368,388	$432,441

Operating lease expense as follow:

	As of December 31,	
	2016	2015
Minimum lease payments	$360,607	$440,828

B. Operating lease commitments - the Group as lessor

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

Future minimum rentals receivable under non-cancellable operating leases as at December 31, 2016 and 2015, are as follows:

	As of December 31,	
	2016	2015
Not later than one year	$12,843	$10,252
Later than one year but not later than five years	12,702	15,290
Later than five years	423	-
Total	$25,968	$25,542

(19) Summary Statement of Employee Benefits, Depreciation and Amortization Expenses by Function for the Years Ended December 31, 2016 and 2015:

	As of December 31,					
	2016			2015		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	$4,753,460	$4,649,747	$9,403,207	$5,889,429	$4,437,114	$10,326,543
Salaries	3,966,768	4,037,314	8,004,082	4,912,238	3,836,436	8,748,674
Labor and health insurance	174,062	286,360	460,422	211,486	279,024	490,510
Pension	273,269	191,154	464,423	341,596	188,449	530,045
Other employee benefits expense	339,361	134,919	474,280	424,109	133,205	557,314
Depreciation	961,950	246,742	1,208,692	1,188,066	271,769	1,459,835
Amortization	14,753	41,787	56,540	14,903	36,501	51,404

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

CORE accrued employees' compensation based on the profit of current year. For the year ended December 31, 2017 and 2016, employees' compensation was recognized at $305,945 thousand and $292,564 thousand, respectively. The aforementioned amounts were recognised in salary expenses. If the Board of Directors resolved to distribute employees' compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price one day earlier than the date of resolution. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, CORE will recognize the change as an adjustment to next year income.

A resolution was approved at a Board of Directors' meeting held on February 15, 2016 to distribute NT$305,945 thousand in cash as employees' compensation.

CORE estimated the amounts of the employee bonuses for the year ended December 31, 2015 to be NT$292,564 thousand. No material differences exist between the estimated amount and the actual distribution of the employee bonuses for the year ended December 31, 2015.

(20) Non-Operating Income and Expenses

A. Other income

	As of December 31,	
	2016	2015
Rental Income	$38,006	$69,046
Interest income	255,704	345,263
Dividend income	7,335	24,637
Other	324,130	290,505
Total	$625,175	$729,451

B. Other gains and losses

	As of December 31,	
	2016	2015
Gain (losses) on disposal of property, plant and equipment	$(7,392)	$811
Losses on disposal of investment	(1,852)	(1,011)
Foreign exchange losses, net	(140,591)	(323,838)
Impairment loss	(103,074)	(116,204)
Gains on financial assets at fair value through profit or loss	439,268	565,388
Other loss	(18,445)	(22,077)
Total	$167,914	$103,069

C. Finance cost

	As of December 31,	
	2016	2015
Interest on borrowings from bank	$102,292	$150,700
Interest for finance lease	-	11
Total finance cost	$102,292	$150,711

(21) Components of Other Comprehensive Income

For the year ended December 31, 2016

	Arising during the period	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:			
Remeasurements of defined benefit plans	$(115,948)	$19,711	$(96,237)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(1,650,870)	-	(1,650,870)
Unrealized losses from available-for-sale financial assets	(467)	-	(467)
(Loss) gain on effective portion of cash flow hedges	(5,839)	1,244	(4,595)
Total of other comprehensive income	$(1,773,124)	$20,955	$(1,752,169)

For the year ended December 31, 2015

	Arising during the period	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:			
Remeasurements of defined benefit plans	$87,264	$(14,835)	$72,429
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(318,467)	-	(318,467)
Unrealized losses from available-for-sale financial assets	(17,777)	-	(17,777)
Gain (loss) on effective portion of cash flow hedges	8,646	(1,444)	7,202
Total of other comprehensive income	$(240,334)	$(16,279)	$(256,613)

(22) Income Tax

The major components of income tax expense are as follows:

Income tax expense (income) recognized in profit or loss

	As of December 31,	
	2016	2015
Current income tax expense (income):		
Current income tax charge	$815,215	$862,708
Adjustments in respect of current income tax of prior periods	(9,325)	(23,285)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	32,043	(33,432)
Deferred tax (income) expense relating to origination and reversal of tax loss and tax credit	(46,515)	2,604
Tax expense (income) recognized in the period for previously unrecognized tax loss, tax credit or temporary difference of prior periods	46,898	(2,604)
Deferred tax expense arising from write-down or reversal of write-down of deferred tax asset	(5,307)	(66,495)
Other	1,779	2,756
Total income tax expense (income)	$834,788	$742,252

Income tax relating to components of other comprehensive income

	As of December 31,	
	2016	2015
Deferred income tax expense (income):		
Unrealized gain (loss) of cash flow hedges	$1,244	$(1,444)
Remeasurements of defined benefit plans	19,711	(14,835)
Total	$20,955	$(16,279)

Reconciliation of income tax expense and the accounting profit multiplied by applicable tax rates is as follows:

	As of December 31,	
	2016	2015
Accounting profit before tax from continuing operations	$2,660,881	$2,697,461
Tax at the domestic rates applicable to profits in the country concerned	$978,059	$1,012,703
Tax effect of expenses not deductible for tax purposes	(241,881)	(286,479)
Tax effect of deferred tax assets/liabilities	33,113	(30,708)
10 % surtax on undistributed retained earnings	101,509	65,447
Operating loss carryforward	(22,274)	-
Investment tax credits	(9,072)	-
Adjustments in respect of current income tax of prior periods	(9,325)	(23,285)
Other	4,659	4,574
Total income tax expense (income) recognized in profit or loss	$834,788	$742,252

Deferred tax assets (liabilities) related to the following:

For the year ended December 31, 2016

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	$17,496	$(1,717)	$-	$(79)	$15,700
Depreciation difference for tax purpose	3,559	(164)	-	(67)	3,328
Unrealized intragroup profits and losses	38,903	106	-	(23)	38,986
Net unrealized exchange gains or losses	(2,264)	(32,645)	-	2	(34,907)
Provisions - maintenance warranties	15,224	5,114	-	(169)	20,169
Provision-sales returns and allowances	19,394	3,635	-	(97)	22,932
Impairment on property, plant and equipment	5,523	(909)	-	-	4,614
Non-current liability - Defined benefit Liability	32,801	(2,314)	19,711	-	50,198
Investments accounted for using the equity method	(44,672)	(10,202)	-	-	(54,874)
Accrued payable of tax differences	56,983	10,619	-	(285)	67,317
Allowance for doubtful receivables	27	463	-	124	614
Cash flow hedges	(1,565)	-	1,244	-	(321)
Others	8	5,328	-	(15)	5,321
Unused tax losses	8,560	(1,305)	-	-	7,255
Foreign unused tax losses	36,883	(3,128)	-	(776)	32,979
Deferred tax (expense) income		$(27,119)	$20,955	$(1,385)	
Net deferred tax assets (liabilities)	$186,860				$179,311
Reflected in balance sheet as follows:					
Deferred tax assets	$239,440				$241,359
Deferred tax liabilities	$(52,580)				$(62,048)

For the year ended December 31, 2015

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	$14,248	$3,089	$-	$159	$17,496
Depreciation difference for tax purpose	3,431	-	-	128	3,559
Unrealized intragroup profits and losses	29,439	9,411	-	53	38,903
Net unrealized exchange gains or losses	(57,188)	54,925	-	(1)	(2,264)
Provisions - maintenance warranties	20,015	(5,137)	-	346	15,224
Provision-sales returns and allowances	16,828	2,454	-	112	19,394
Impairment on property, plant and equipment	7,934	(2,411)	-	-	5,523
Non-current liability - Defined benefit Liability	48,986	(1,350)	(14,835)	-	32,801
Investments accounted for using the equity method	(75,338)	30,666	-	-	(44,672)
Accrued payable of tax differences	54,417	2,289	-	277	56,983
Allowance for doubtful receivables	184	(304)	-	147	27
Cash flow hedges	(121)	-	(1,444)	-	(1,565)
Others	(5,174)	5,149	-	33	8
Unused tax losses	7,255	1,305	-	-	8,560
Foreign unused tax losses	36,017	(159)	-	1,025	36,883
Deferred tax (expense) income		$99,927	$(16,279)	$2,279	
Net deferred tax assets (liabilities)	$100,933				$186,860
Reflected in balance sheet as follows:					
Deferred tax assets	$188,041				$239,440
Deferred tax liabilities	$(87,108)				$(52,580)

The following table contains information of the unused tax losses of the Group and its domestic consolidated subsidiaries:

For the year ended December 31, 2016

Accumulated loss	Unutilized accumulated loss	Expiration Year
$83,884	$23,688	2018
44,478	44,478	2019
6,304	6,304	2020
210	210	2021
172,876	48,100	2022
7,678	-	2025
261,180	261,180	2026
$576,610	$383,960	

For the year ended December 31, 2015

Accumulated loss	Unutilized accumulated loss	Expiration Year
$83,884	$23,688	2018
44,478	44,478	2019
6,304	6,304	2020
210	210	2011
172,876	35,659	2022
$307,752	$110,339	

CORE and its domestic subsidiaries have not unused investment tax credit as of December 31, 2016 and 2015.

Unrecognized deferred tax assets

As of December 31, 2016 and 2015, deferred tax assets that have not been recognized amount to NT$342,092 thousand and NT$301,929 thousand, respectively.

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Group did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's overseas subsidiaries, as the Group has determined that will not all distributed profits of its subsidiaries will not be distributed in the foreseeable future. As at December 31, 2016 and 2015, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liabilities have not been recognized, aggregate to NT$14,920,958 thousand and NT$13,239,994 thousand, respectively.

Imputation credit information

	As of December 31,	
	2016	2015
Balances of imputation credit amounts	$852,065	$735,888

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

Unappropriated retained earnings:

	As of December 31,	
	2016	2015
Earnings generated in and before 1997	$43,393	$43,393
Earnings generated in and after 1998	8,797,775	7,995,071
Total	$8,841,168	$8,038,464

The assessment of income tax returns

As of December 31, 2016 the assessment of the income tax returns of the Group and its subsidiaries is as follows:

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

(23) Earnings Per Share

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

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

	As of December 31,	
	2016	2015
A. Basic earnings per share		
Profit attributable to ordinary shareholders of the parent (in thousand NT$)	$1,964,534	$1,905,047
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	490,506	543,029
Basic earnings per share (NT$)	$4.01	$3.51

	As of December 31,	
	2016	2015
B. Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT$)	$1,964,534	$1,905,047
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	490,506	543,029
Effect of dilution:		
Employee Bonus－stock (in thousand)	10,081	13,667
Weighted average number of ordinary shares outstanding after dilution (in thousand)	500,587	556,696
Diluted earnings per share (NT$)	$3.92	$3.42

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.

(24) Business Combinations

The Acquisition

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

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

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

Goodwill of Mejiro Genossen Inc. is as follows:

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

Cash flow for acquisition:

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

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

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

(25) Subsidiaries that have Material Non-Controlling Interests

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

Percentage of equity interest held by non-controlling interests:

Subsidiary	Country of incorporation and operation	As of December 31, 2016	As of December 31, 2015
Young Optics Inc.	Taiwan	53.48%	53.48%

	As of December 31, 2016	As of December 31, 2015
Accumulated balance of material non-controlling interests		
Young Optics, Inc.	$1,919,871	$2,147,990

	As of December 31, 2016	As of December 31, 2015
Profit allocated to material non-controlling interest		
Young Optics Inc.	$(109,861)	$68,612

	As of December 31, 2016	As of December 31, 2015
Dividends paid to material non-controlling interests		
Young Optics Inc.	$34,160	$90,279

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 year ended December 31, 2016:

	Young Optics Inc.
Operating revenue	$4,115,786
Loss for the period from continuing operations	(202,293)
Total comprehensive income for the period	(379,531)

Summarized information of profit or loss for the year ended December 31, 2015:

	Young Optics Inc.
Operating revenue	$4,460,489
Loss for the period from continuing operations	128,467
Total comprehensive income for the period	94,434

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

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

Summarized information of financial position as at December 31, 2015:

	Young Optics Inc.
Current assets	$3,126,435
Non-current assets	2,404,800
Current liabilities	(1,452,232)
Non-current liabilities	(62,580)

Summarized cash flow information for the year ended December 31, 2016:

	Young Optics Inc.
Operating activities	$52,240
Investing activities	(124,628)
Financing activities	447,514
Net increase in cash and cash equivalents	208,181

Summarized cash flow information for the year ended December 31, 2015:

	Young Optics Inc.
Operating activities	$359,614
Investing activities	(66,086)
Financing activities	(344,165)
Net decrease in cash and cash equivalents	(93,403)

7. Related Party Transactions

Significant transactions with related parties

(1) Sales

	2016	2015
Associates	$-	$21
Other related parties	24,913	103,340
Total	$24,913	$103,361

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.

(2) Purchases

	2016	2015
Other related parties	$257,574	$238,356

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.

(3) Accounts Receivable from Related Parties

	As of December 31, 2016	As of December 31, 2015
Other related parties	$229	$6,201

(4) Accounts Payable from Related Parties

	As of December 31, 2016	As of December 31, 2015
Other related parties	$40,850	$25,524

(5) Key Management Personnel Compensation

	As of December 31, 2016	As of December 31, 2015
Short-term employee benefits	$184,087	$104,393
Post-employment benefits	4,633	1,116
Total	$188,720	$105,509

8. Assets Pledged As Collateral

The following table lists assets of the Group pledged as security:

	Carrying amount		
Assets pledged as collateral	As of December 31, 2016	As of December 31, 2015	Purpose of pledge
Time deposits (shown as "Other receivables")	$23,393	$25,503	Lease execution deposits
Time deposits (shown as "Other receivables")	19,367	14,398	Customs import guarantee
Bank deposits (shown as "Other receivables")	-	5,763	Customs import guarantee
Bank deposits (shown as "Other receivables")	9,675	-	Derivative execution deposits
Time deposits (shown as "Other noncurrent assets")	20,761	20,757	Lease execution deposits
Time deposits (shown as "Other noncurrent assets")	1,050	1,040	Customs import guarantee
Total	$74,246	$67,461	

9. Commitments and Contingencies

Amounts available under unused letters of credit as of December 31, 2016 are NT$46,420 thousand.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

None.

12. Others

(1) Categories of Financial Instruments

Financial assets

	As of December 31,	
	2016	2015
Financial assets at fair value through profit or loss:		
Held for trading	$171,055	$36,165
Available-for-sale financial assets (Include Financial assets measured at cost)	382,442	384,790
Loans and receivables:		
Cash and cash equivalents (excluding cash on hand)	15,296,435	15,438,289
Note receivables, net	54,056	114,638
Trade receivables, net	17,534,750	19,746,222
Trade receivables from related parties	229	6,201
Other receivables	390,446	274,126
Subtotal	33,275,916	35,579,476
Derivative financial assets for hedging	146,604	29,374
Total	$33,976,017	$36,029,805

Financial liabilities

	As of December 31,	
	2016	2015
Financial liabilities at amortized cost:		
Short-term borrowings	$6,622,586	$5,307,590
Trade payables (including related parties)	12,511,005	14,927,052
Other payables	4,153,319	4,602,955
Current portion of long-term borrowings	1,875	-
Long-term borrowings	28,125	328,250
Subtotal	23,316,910	25,165,847
Financial liabilities at fair value through profit or loss:		
Held for trading	79,603	33,898
Derivative financial liability for hedging	143,274	19,061
Total	$23,539,787	$25,218,806

(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 years ended December 31, 2016 and 2015 is decreased/increased by NT$140,065 thousand and NT$134,009 thousand, respectively, the equity is decreased/increased by NT$226,503 thousand and NT$223,120 thousand, respectively.

Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and bank borrowings with variable interest rate swaps. At the reporting date, an increase/decrease of 1% of interest rate in a reporting period could cause the profit for the years ended December 31, 2016 and 2015 to decreased/increased by NT$59,303 thousand and NT$50,090 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.

At December 31, 2016 and 2015, a increase/decrease of 1% in the price of the listed equity securities classified as available-for-sale could have an impact of NT$550 thousand and NT$554 thousand on the income or equity attributable to the Group.

(4) Credit Risk Management

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

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

As of December 31, 2016 and 2015, receivables from top ten 72% and 74% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivables was insignificant.

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

(5) Liquidity Risk Management

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

Non-derivative financial instruments

	Less than 1 year	1 to 3 years	Total
As of December 31, 2016			
Borrowings	$6,629,449	$28,873	$6,658,322
Trade payables (including related parties)	12,511,005	-	12,511,005
Other payables	4,153,319	-	4,153,319
As of December 31, 2015			
Borrowings	$5,311,635	$331,223	$5,642,858
Trade payables (including related parties)	14,927,052	-	14,927,052
Other payables	4,602,955	-	4,602,955

Derivative financial instruments

	Less than 1 year	1 to 3 years	Total
As of December 31, 2016			
Inflows	$-	$-	$-
Outflows	222,877	-	222,877
Net	$222,877	$-	$222,877
As of December 31, 2015			
Inflows	$-	$-	$-
Outflows	52,959	-	52,959
Net	$52,959	$-	$52,959

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

(6) Fair Value of Financial Instruments

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

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

(a) The carrying amount of cash and cash equivalents, Trade receivables, Trade payable and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price at the reporting date.

(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.

B. Fair value of financial instruments measured at amortized cost

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

C. Fair value measurement hierarchy for financial instruments

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

(7) Derivative Financial Instruments

The Group's derivative financial instruments include forward currency contracts and embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as at December 31, 2016 and 2015 is as follows:

Forward currency contracts and cross currency contracts

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

Item (by contract)	Notional Amount		Contract Period
As of December 31, 2016			
Forward currency contract			
Selling forward currency contracts	USD	311,500 thousand	From January 2017 to February 2017
Buying forward currency contracts	USD	233,000 thousand	From January 2017 to June 2017
Selling forward currency contracts	EUR	10,000 thousand	From January 2017 to March 2017
Forward cross currency contract	USD	20,500 thousand	From January 2017 to March 2017
As of December 31, 2015			
Forward currency contract			
Selling forward currency contracts	USD	174,500 thousand	January 2016
Buying forward currency contracts	USD	100,500 thousand	From January 2016 to March 2016
Selling forward currency contracts	EUR	14,500 thousand	From January 2016 to March 2016
Selling forward currency contracts	CAD	1,800 thousand	February 2016
Forward cross currency contract	USD	19,500 thousand	From January 2016 to March 2016

Hedging forward currency contracts

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

Item (by contract)	Notional Amount		Contract Period
As of December 31, 2016			
Forward currency contract			
Selling forward currency contracts	USD	341,000 thousand	From January 2017 to June 2017
Buying forward currency contracts	USD	341,000 thousand	From January 2017 to June 2017
Selling forward currency contracts	GBP	3,500 thousand	From March 2017
As of December 31, 2015			
Forward currency contract			
Selling forward currency contracts	USD	175,000 thousand	From January 2016
Buying forward currency contracts	USD	175,000 thousand	From January 2016
Selling forward currency contracts	GBP	3,500 thousand	From March 2016

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability

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

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

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

	As of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	$-	$162,609	$-	$162,609
Forward cross currency contract	-	8,446	-	8,446
Available-for-sale financial assets				
Stock	54,962	-	-	54,962
Hedging derivative financial assets-current	-	146,604	-	146,604
Liabilities at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	$-	$79,603	$-	$79,603
Hedging derivative financial liabilities-current	-	143,274	-	143,274

	As of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	$-	$32,547	$-	$32,547
Forward cross currency contract	-	3,618	-	3,618
Available-for-sale financial assets				
Stock	55,429	-	-	55,429
Hedging derivative financial assets-current	-	29,374	-	29,374
Liabilities at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	$-	$33,657	$-	$33,657
Forward cross currency contract	-	241	-	241
Hedging derivative financial liabilities-current	-	19,061	-	19,061

Transfers between the Level 1 and Level 2 during the period

During the years ended December 31, 2016 and 2015, there were no transfers between Level 1 and Level 2 fair value measurements.

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

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

	As of December 31, 2015			
	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(9))	$-	$-	$240,200	$240,200

(9) Significant Assets and Liabilities Denominated in Foreign Currencies

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

	December 31, 2016		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary item:			
USD	$962,773	32.25	$31,049,429
JPY	50,795	0.2756	13,999
Non-Monetary items			
USD	$2,152	32.25	$69,397

	December 31, 2016		
	Foreign currencies	Foreign exchange rate	NTD
Financial Liabilities			
Monetary items			
USD	$528,462	32.25	$17,042,900
JPY	22,247	0.2756	6,131

	December 31, 2015		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary item:			
USD	$1,024,960	32.825	$33,644,312
JPY	8,428	0.2727	2,298
Non-monetary item:			
USD	$2,152	32.825	$70,635
Financial liabilities			
Monetary item:			
USD	$616,708	32.825	$20,243,440
JPY	13,271	0.2727	3,619

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 was NT$140,591 thousand and NT$323,838 thousand for the years ended December 31, 2016 and 2015, respectively.

(10) Capital Management

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

13. Additional Disclosures

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

A. Financing provided to others for the year ended December 31, 2016: None

B. Endorsement/Guarantee provided to others for the year ended December 31, 2016: Please refer to Attachment 1.

C. Securities held as of December 31, 2016 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2.

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended December 31, 2016: 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 year ended December 31, 2016: 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 year ended December 31, 2016: 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 year ended December 31, 2016: 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 December 31, 2016: Please refer to Attachment 4.

I. The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 5.

J. Financial instruments and derivative transactions: Please refer to Note 6(2), Note 12(1), Note 12(7) and Attachment 8.

(2) Information on investees

A. Relevant information on investees when the investees have significant influence or direct or indirect control. Please refer to Attachments 6, 6-1, and 6-3.

B. When the investees have significant influence or direct or indirect control, the above items from A to I shall be disclosed. Please refer to Attachments 1-1, 1-2, 2-1, 3-1, 4-1 and 9.

C. Financial instruments and derivative transactions: Please refer to Attachment 8.

(3) Investment in Mainland China

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

B. Directly or indirectly significant transactions with the investees in Mainland China, please refer to Attachment 5.

14. Segment information

(1) General Information

A. The Group's reportable segments are organized into business units based on their products and services, and that they will be available for managing units to earn revenues and occur expense. Every unit needs unique technologies and marketing strategies, and the Group's chief operating decision maker manages every unit individually. The Group determined its reportable segments based on the Group's internal reports.

B. The Group has three reportable segments:

(a) Energy-saving products segments: mainly engaged in the R&D, production and marketing of backlighting, panel modules, medical displays and energy-efficient lighting equipment.

(b) Image products and brand segments: mainly engaged in the R&D, production and marketing of projector and brand management.

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

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

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

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

(2) Segment income, assets and liabilities information

	For the year ended December 31, 2016						
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note1)	Adjustment and elimination (Note2)	Total
Revenue							
Net revenue from external customers	$33,855,300	$19,144,616	$3,445,872	$56,445,788	$611,877	$-	$57,057,665
Net revenue from sales among intersegments	15,872	41,442	669,914	727,228	1,012	(728,240)	-
Total revenue	$33,871,172	$19,186,058	$4,115,786	$57,173,016	$612,889	$(728,240)	$57,057,665
Segment income	$1,375,980	$1,302,474	$(181,839)	$2,496,615	$4,589	$159,677	$2,660,881
Segment Assets(Note3)	$-	$-	$-	$-	$-	$50,353,429	$50,353,429

	For the year ended December 31, 2015						
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note1)	Adjustment and elimination (Note2)	Total
Revenue							
Net revenue from external customers	$45,979,370	$10,472,397	$3,599,671	$60,051,438	$8,108,604	$-	$68,160,042
Net revenue from sales among intersegments	805	4,771,155	860,819	5,632,779	45,769	(5,678,548)	-
Total revenue	$45,980,175	$15,243,552	$4,460,490	$65,684,217	$8,154,373	$(5,678,548)	$68,160,042
Segment income	$1,130,738	$912,771	$133,669	$2,177,178	$71,100	$449,183	$2,697,461
Segment Assets(Note3)	$-	$-	$-	$-	$-	$53,848,417	$53,848,417

Note1: Two and three operating segments did not meet the quantitative thresholds for reportable segments as of December 31, 2016 and 2015, respectively. They have been combined into other segments.

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

Note3: If the measurements of the asset were not provided to the decision makers, the amount of the assets to be disclosed by every segment may be expressed as zero and listed as group asset.

	For the years ended December 31	
	2016	2015
Net income of reportable segment	$2,496,615	$2,177,178
Income of other segment	4,589	71,100
Unallocated amount:		
Interest income	255,704	345,263
Interest expense	(102,292)	(150,711)
Financial assets at fair value through profit or loss	439,268	565,388
Exchange net loss	(140,591)	(323,838)
Others	(292,412)	13,081
Income before income tax	$2,660,881	$2,697,461

(3) Geographical information

A. Sales to other than consolidated entities

	For the years ended December 31	
	2016	2015
Mainland China (including Hong Kong)	$17,397,905	$19,051,768
Taiwan	13,698,949	11,883,795
Japan	6,157,804	11,308,462
United States	4,404,569	4,774,017
Korea	4,227,373	8,457,092
United Kingdom	3,862,994	3,370,143
Malaysia	3,717,756	4,933,308
Switzerland	1,556,254	1,612,732
Others	2,034,061	2,768,725
Total	$57,057,665	$68,160,042

Sales are presented by customers' country.

B. Non-current assets

	105.12.31	104.12.31
Taiwan	$3,521,528	$3,592,718
Mainland China (including Hong Kong)	4,318,365	5,690,467
Bangladesh	259,418	197,902
United States	9,690	9,194
Europe	7,651	13,032
Total	$8,116,652	$9,503,313

(4) Major customers information

2016 and 2015 for a single customer sales accounted for more than 10% of net sales are listed below:

Customers’ name	2016	2015
From the energy-saving products segment-A1	$4,327,709	$4,669,804
From the energy-saving products segment-A2	3,859,637	6,837,188
From the energy-saving products segment-A3	2,956,455	8,288,346

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the year ended December 31, 2016)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorsor/Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of Endorsement/ Guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statement	Limit of total guarantee/endorsement amount	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiary in Mainland China
		Company Name	Relationship										
0	Coretronic Corporation	Young Lighting Technology	Subsidiary	$ 10,553,344 (Note a)	$ 214,511 (USD 6,000 thousands and NTD 8,111 thousands)	$ 214,511 (USD 6,000 thousands and NTD 8,111 thousands)	$ 214,511	-	0.98%	$ 21,106,688 (Note a)	Yes	No	No
0	Coretronic Corporation	Young Bright Optical (Suzhou)	Associate	10,553,344 (Note a)	167,250 (USD 5,000 thousands)	-	-	-	-	21,106,688 (Note a)	Yes	No	Yes
0	Coretronic Corporation	Suzhou Nano Display	Associate	10,553,344 (Note a)	66,900 (USD 2,000 thousands)	6,450 (USD 200 thousands)	6,450	-	0.03%	21,106,688 (Note a)	Yes	No	Yes
0	Coretronic Corporation	Nano Precision (Nanjing)	Associate	10,553,344 (Note a)	301,050 (USD 9,000 thousands)	-	-	-	-	21,106,688 (Note a)	Yes	No	Yes
0	Coretronic Corporation	Wisdom Success (HK) Limited	Associate	10,553,344 (Note a)	334,500 (USD 10,000 thousands)	-	-	-	-	21,106,688 (Note a)	Yes	No	No
0	Coretronic Corporation	Lead Bright (HK) Limited	Associate	10,553,344 (Note a)	836,250 (USD 25,000 thousands)	161,250 (USD 5,000 thousands)	-	-	0.76%	21,106,688 (Note a)	Yes	No	No
0	Coretronic Corporation	Wisdom Success	Associate	10,553,344 (Note a)	301,050 (USD 9,000 thousands)	-	-	-	-	21,106,688 (Note a)	Yes	No	No
0	Coretronic Corporation	YLG Optotech Limited	Associate	10,553,344 (Note a)	148,028 (USD 4,590 thousands)	148,028 (USD 4,590 thousands)	82,238	-	0.70%	21,106,688 (Note a)	Yes	No	Yes
0	Coretronic Corporation	Coretronic Display (Suzhou)	Associate	10,553,344 (Note a)	36,795 (USD 1,100 thousands)	-	-	-	-	21,106,688 (Note a)	Yes	No	Yes
	Total				$ 2,406,334	$ 530,239							

Note a: Based on the procedures of endorsement/guarantee provided to others, the amount of endorsements/guarantees for any sigle 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 lastest financial statement.

ATTACHMENT 1-1 (Financing provided to others for the year ended December 31, 2016)

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

No.	Lender	Counter-party	Financial statement account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	Value		
1	Coretronic (Suzhou)	Coretronic System Engineering (Shanghai)	Accounts receivables - related parties	YES	$ 20,070	$ 19,350	$ 19,350	1%	The need for short-term financing	-	Business turnover	-	None	-	$ 2,997,593	$ 2,997,593
1	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Accounts receivables - related parties	YES	1,329,753	1,046,025	1,046,025	1%	The need for short-term financing	-	Business turnover	-	None	-	2,997,593	2,997,593
2	Coretronic Projection (Kunshan)	Coretronic Display (Suzhou)	Accounts receivables - related parties	YES	724,232	162,715	162,715	1%	The need for short-term financing	-	Business turnover	-	None	-	3,718,973	3,718,973
3	Coretronic (Ningbo)	YLG Optotech Limited	Accounts receivables - related parties	YES	367,950	274,125	274,125	1%	The need for short-term financing	-	Business turnover	-	None	-	1,213,351	1,213,351
3	Coretronic (Ningbo)	Coretronic Display (Suzhou)	Accounts receivables - related parties	YES	278,940	278,940	278,940	1%	The need for short-term financing	-	Business turnover	-	None	-	3,033,379	3,033,379
4	MAT	Brightbridge	Accounts receivables - related parties	YES	2,796	2,796	2,796	1%	The need for short-term financing	-	Business turnover	-	None	-	850,371	850,371
4	MAT	Core-Flex	Accounts receivables - related parties	YES	38,468	-	-	1%	The need for short-term financing	-	Business turnover	-	None	-	340,149	340,149
5	Venture Orient	Core-Flex	Accounts receivables - related parties	YES	50,175	-	-	1%	The need for short-term financing	-	Business turnover	-	None	-	170,967	170,967
6	Bigshine	Core-Flex	Accounts receivables - related parties	YES	51,011	-	-	1%	The need for short-term financing	-	Business turnover	-	None	-	430,377	430,377
7	Greendale	Coretronic Display (Suzhou)	Accounts receivables - related parties	YES	274,338	274,125	274,125	1%	The need for short-term financing	-	Business turnover	-	None	-	4,451,220	4,451,220
8	Lead Bright (HK)	Brightbridge	Accounts receivables - related parties	YES	2,877	-	-	1%	The need for short-term financing	-	Business turnover	-	None	-	3,340,145	3,340,145
8	Lead Bright (HK)	Core-Flex	Accounts receivables - related parties	YES	135,869	135,869	135,869	1%	The need for short-term financing	-	Business turnover	-	None	-	1,336,058	1,336,058
8	Lead Bright (HK)	Coretronic Display (Suzhou)	Accounts receivables - related parties	YES	66,900	-	-	1%	The need for short-term financing	-	Business turnover	-	None	-	3,340,145	3,340,145
9	Dynamic Time	Optoma Corporation	Other receivables - related parties	YES	535,200	516,000	516,000	-	The need for short-term financing	-	Business turnover	-	None	-	643,063	643,063
9	Dynamic Time	Optoma USA	Other receivables - related parties	YES	117,075	112,875	112,875	0.7%	The need for short-term financing	-	Business turnover	-	None	-	643,063	643,063
10	Modern Smart	Optoma USA	Other receivables - related parties	YES	21,743	20,963	20,963	0.7%	The need for short-term financing	-	Business turnover	-	None	-	43,379	43,379
10	Modern Smart	Optoma Corporation	Other receivables - related parties	YES	21,743	20,963	20,963	-	The need for short-term financing	-	Business turnover	-	None	-	43,379	43,379
11	Grace China	Young Optics (BD)	Other receivables - related parties	YES	66,900	-	-	2%	The need for short-term financing	-	Business turnover	-	None	-	1,203,815	1,203,815
12	Masterview	Young Optics (BD)	Other receivables - related parties	YES	127,388	127,388	127,388	2%	The need for short-term financing	-	Business turnover	-	None	-	2,304,950	2,304,950

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

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

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

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

ATTACHMENT1-2 (Endorsement/Guarantee provided to others for the year ended December 31, 2016)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No	Endorsor/Guarantor	Receiving party		Limit of guarantee/ endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of Endorsement/Guarantee collateralized by properties	Percentage of accumulated guarantee amount to net assets value 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	Young Lighting Technology	YLG Optotech	Associate	$ 447,111 (Note)	$ 153,536 (USD4,590 thousands)	$ -	$ -	$ -	-	$ 894,221 (Note)	YES	NO	YES
2	Coretronic (Suzhou)	Coretronic Optotech (Suzhou)	Associate	1,498,796 (Note)	50,175 (USD1,500 thousands)	-	-	-	-	2,997,593 (Note)	NO	NO	YES

Note： The amount of endorsement/guarantees for any single entity shall not exceed 50% of any entity's net worth from the latest financial statement. The total amount of endorsements/guarantees shall not exceed 100% of the entity's net worth from the latest financial statement.

ATTACHMENT 2 (Securities held as of December 31, 2016)
(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	December 31, 2016				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value	
Coretronic Corporation	Maxima Venture I, Inc.	-	Financial assets measured at cost, noncurrent	29,400	$ 221	5.26%	(Note a)	
Coretronic Corporation	Nightingale Intelligent Systems, Inc.	-	Financial assets measured at cost, noncurrent	-	17,966	-	(Note a)	

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

ATTACHMENT 2-1 (Securities held as of December 31, 2016)
(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	December 31, 2016				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value	
Chung Tsen Investment	Shieh Yong Investment	-	Financial assets measured at cost, noncurrent	34,107,900	$ 210,787	4.47%	(Note a)	
	YODN Lighting	-	Financial assets measured at cost, noncurrent	128,709	-	0.72%	(Note a、d)	
Venture Orient	Unitech Capital	-	Financial assets measured at cost, noncurrent	2,500,000	USD 1,913,500	5.00%	(Note a)	
	Viewsonic	-	Financial assets measured at cost, noncurrent	283,403 (Note c)	USD 238,341 (Note b)	0.38%	(Note a)	
Tsen Ming Investment	Celxpert Energy	-	Available-for-sale financial assets, noncurrent	1,591,000	28,081	1.83%	28,081	
Optoma	LIULIGONGFANG	-	Financial assets measured at cost, noncurrent	242,094	- (Note b)	7.53%	(Note a)	
	Excel Global	-	Financial assets measured at cost, noncurrent	812,506	26,389	19.90%	(Note a)	
Coretronic Venture Capital	Celxpert Energy	-	Available-for-sale financial assets, noncurrent	1,523,000	26,881	1.75%	26,881	
	GeneJet Biotech	-	Investments accounted for using the equity method, noncurrent	1,575,000	30,646	19.51%	(Note a)	
Young Lighting Technology	GLO AB	-	Financial assets measured at cost, noncurrent	50,000	2,720	0.42%	(Note a)	

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

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

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

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

ATTACHMENT 3 (Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of capital stock for the year ended December 31, 2016)

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

Company Name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Coretronic Corporation	Optoma	Subsidiary	Sales	$ 4,381,488	20.59%	120 days	-	-	$ 1,678,118	17.07%	
Coretronic Corporation	Young Lighting Technology	Subsidiary	Sales	176,257	0.83%	60 days	-	-	70,463	0.72%	
Coretronic Corporation	Lead Bright (HK)	Associate	Sales	103,674	0.49%	60 days	-	-	-	-	

ATTACHMENT 3-1 (Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock for the year ended December 31, 2016)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Counter-party	Relationship	Transaction				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Young Optics	Grace China	Associate	Purchases	$ 1,765,005	75.81%	60-90 days	-	-	$ (415,651)	(83.27%)	
Young Optics	Grace China	Associate	Sales	439,963	13.51%	60 days	-	-	141,029	27.73 %	
Young Optics	Aptke Optical	Associate	Sales	249,639	7.66 %	30 days	-	-	47,437	9.33 %	
Young Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	Sales	657,976	24.44 %	90 days	-	-	168,691	23.23 %	
Young Optics (Kunshan)	Grace China	Associate	Sales	1,589,646	58.99 %	60-90 days	-	-	395,559	54.47 %	
Young Optics (Kunshan)	Grace China	Associate	Purchases	459,615	22.17 %	60 days	-	-	(146,251)	(36.14%)	
Young Optics (Kunshan)	Young Optics (Suzhou)	Associate	Sales	439,231	16.25 %	60 days	-	-	160,870	22.15 %	
Young Optics (Suzhou)	Grace China	Associate	Sales	171,288	21.54 %	60-90 days	-	-	28,484	19.85 %	
Young Optics (BD)	Grace China	Associate	Sales	207,539	100.00 %	60 days	-	-	21,483	100.00 %	
Young Optics (BD)	Grace China	Associate	Purchases	132,322	88.40 %	60 days	-	-	(208,067)	(100.00%)	
Optoma	Optoma Europe	Associate	Sales	2,919,762	54.29%	90 days	-	-	750,525	43.66 %	
Optoma	Optoma USA	Associate	Sales	1,654,453	30.76%	120 days	-	-	805,780	46.88 %	
Daf International (ShangHai)	Vimax (Kunshan)	Associate	Purchases	904,183	81.69%	90 days	-	-	(373,107)	(83.95%)	
Young Lighting Technology	Coretronic Projection (Kunshan)	Associate	Purchases	725,099	8.74%	60 days	-	-	(402,351)	(9.66%)	
Young Lighting Technology	Coretronic (Shanghai)	Associate	Purchases	1,465,793	17.67%	60 days	-	-	-	-	
Young Lighting Technology	YLG Optotech	Associate	Purchases	401,109	4.83%	60 days	-	-	(92,182)	(2.21%)	
Young Lighting Technology	Coretronic (Guangzhou)	Associate	Purchases	225,315	2.72%	60 days	-	-	-	-	
Young Lighting Technology	Coretronic (Suzhou)	Associate	Purchases	1,111,426	13.40%	60 days	-	-	(546,535)	(13.13%)	
Young Lighting Technology	Coretronic Display (Suzhou)	Associate	Purchases	587,842	7.09%	60 days	-	-	(347,546)	(8.35%)	
Young Lighting Technology	Coretronic Optotech (Suzhou)	Associate	Purchases	795,936	9.59%	60 days	-	-	-	-	
Nano Precision (Suzhou)	Coretronic (Suzhou)	Associate	Sales	532,758	43.85%	60 days	-	-	140,825	37.15%	
Coretronic Projection (Kunshan)	Vimax (Kunshan)	Associate	Sales	3,925,228	24.98%	60 days	-	-	2,000,814	33.37%	
YLG Optotech	Coretronic (Shanghai)	Associate	Sales	342,654	25.92%	60 days	-	-	7,135	3.31%	
Suzhou Nano Display	Coretronic (Suzhou)	Associate	Sales	110,466	33.75%	60 days	-	-	11,582	20.67%	

ATTACHMENT 4 (Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of December 31, 2016)

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

Company Name	Counter-party	Relationship	Ending balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
					Amount	Collection status		
Accounts receivable								
Coretronic Corporation	Optoma	Subsidiary	$ 1,678,118	2.62	$ -	-	$ -	$ -

ATTACHMENT 4-1 (Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of December 31, 2016)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Counter-party	Relationship	Ending balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for doubtful accounts
					Amount	Collection status		
Optoma	Optoma USA	Associate	$ 805,780	2.17	$ -	-	$ -	$ -
Optoma	Optoma Europe	Associate	750,525	3.78	-	-	-	-
Young Optics	Grace China	Associate	141,029	4.84	-	-	-	-
Young Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	168,691	3.90	-	-	-	-
Young Optics (Kunshan)	Grace China	Associate	395,559	4.50	-	-	-	-
Young Optics (Kunshan)	Young Optics (Suzhou)	Associate	160,870	2.63	-	-	-	-
Grace China	Young Optics	Associate	415,651	4.85	-	-	-	-
Grace China	Young Optics (Kunshan)	Associate	146,251	3.81	-	-	-	-
Grace China	Young Optics (BD)	Associate	214,275 (Note)	-	-	-	-	-
Nano Precision (Suzhou)	Coretronic (Suzhou)	Associate	140,825	5.55	-	-	-	-
Vimax (Kunshan)	Daf International (ShangHai)	Associate	373,107	2.70	-	-	-	-
Coretronic Projection (Kunshan)	Vimax (Kunshan)	Associate	2,000,814	2.86	-	-	-	-
Coretronic Projection (Kunshan)	Young Lighting Technology	Associate	402,351 (Note)	-	-	-	-	-
Coretronic Display (Suzhou)	Young Lighting Technology	Associate	347,546 (Note)	-	-	-	-	-
Coretronic (Suzhou)	Young Lighting Technology	Associate	546,535 (Note)	-	-	-	-	-

Note: The ending balance included other receivables.

ATTACHMENT 5 (Significant intercompany transactions between consolidated entities)
(Amount in thousand; Currency denomination in NTD or in foreign currencies)

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
0	Coretronic Corporation	Optoma Corporation	1	Accounts receivable	1,678,118	-	3.33%
			1	Sales	4,381,488	-	7.68%
		Optoma Europe	1	Sales	46,655	-	0.08%
		Coretronic (Suzhou)	1	Sales	77,697	-	0.14%
		Nano Precision (Suzhou)	1	Accounts receivable	73,372	-	0.15%
			1	Sales	202,146	-	0.35%
		Young Lighting Technology	1	Other receivables	58,079	-	0.12%
			1	Accounts receivable	70,463	-	0.14%
			1	Sales	176,257	-	0.31%
		Greendale	1	Accounts receivable	3,121,477	-	6.20%
			1	Sales	7,028,737	-	12.32%
		Coretronic (Ningbo)	1	Sales	36,115	-	0.06%
		Coretronic (Guangzhou)	1	Sales	126,685	-	0.22%
		Wisdom Success (HK)	1	Accounts receivable	45,694	-	0.09%
			1	Sales	163,341	-	0.29%
		Lead Bright (HK)	1	Sales	130,154	-	0.23%

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
0	Coretronic Corporation	Coretronic Display (Suzhou)	1	Sales	55,375	-	0.10%
		Coretronic Optotech (Suzhou)	1	Accounts receivable	5,232,127	-	10.39%
			1	Sales	15,495,793	-	27.16%
1	Optoma Corporation	Optoma (HK)	3	Accounts receivable	31,629	-	0.06%
			3	Sales	57,228	-	0.10%
		Optoma USA	3	Accounts receivable	805,780	-	1.60%
			3	Sales	1,654,453	-	2.90%
		Optoma Europe	3	Accounts receivable	750,525	-	1.49%
			3	Sales	2,919,762	-	5.12%
2	Young Optics	Grace China	3	Other receivables	46,687	-	0.09%
			3	Accounts receivable	141,029	-	0.28%
			3	Sales	439,963	-	0.77%
		Aptek Optical	3	Accounts receivable	47,437	-	0.09%
			3	Sales	249,639	-	0.44%
3	Grace China	Young Optics	3	Accounts receivable	415,651	-	0.83%
			3	Sales	1,776,382	-	3.11%

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
3	Grace China	Young Optics (Kunshan)	3	Accounts receivable	146,176	-	0.29%
			3	Sales	459,383	-	0.81%
		Young Optics (Suzhou)	3	Sales	46,623	-	0.08%
		Young Optics (BD)	3	Other receivables	55,303	-	0.11%
			3	Accounts receivable	158,972	-	0.32%
			3	Sales	132,322	-	0.23%
4	Young Optics (Kunshan)	Grace China	3	Accounts receivable	395,559	-	0.79%
			3	Sales	1,589,646	-	2.79%
		Young Optics (Suzhou)	3	Accounts receivable	160,870	-	0.32%
			3	Sales	439,231	-	0.77%
		Coretronic Projection (Kunshan)	3	Accounts receivable	168,691	-	0.34%
			3	Sales	657,976	-	1.15%
5	Dynamic Time	Optoma corporation	3	Other receivables	516,000	-	1.02%
		Optoma USA	3	Other receivables	113,366	-	0.23%
6	Daf International (Shanghai)	Coretronic System Engineering (Shanghai)	3	Accounts receivable	31,388	-	0.06%
			3	Sales	30,568	-	0.05%
7	Wisdom Success	Coretronic (Suzhou)	3	Accounts receivable	933,392	-	1.85%

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
7	Wisdom Success	Coretronic (Suzhou)	3	Sales	3,281,222	-	5.75%
8	Coretronic (Suzhou)	Wisdom Success	3	Accounts receivable	1,626,411	-	3.23%
			3	Sales	1,854,977	-	3.25%
		Young Lighting Technology	3	Accounts receivable	1,790,991	-	3.56%
			3	Sales	1,105,898	-	1.94%
		Young Bright Optical (Suzhou)	3	Sales	45,704	-	0.08%
		Coretronic Display (Suzhou)	3	Other receivables	1,050,560	-	2.09%
			3	Sales	68,131	-	0.12%
		Coretronic Optotech (Suzhou)	3	Sales	71,090	-	0.12%
9	Vimax (Kunshan)	Daf International (Shanghai)	3	Accounts receivable	373,107	-	0.74%
			3	Sales	904,183	-	1.58%
		Sinolink	3	Sales	60,563	-	0.11%
10	Technology Service (Kunshan)	Coretronic Corporation	2	Sales	32,143	-	0.06%
11	Masterview	Young Optics (BD)	3	Other receivables	128,045	-	0.25%
12	Young Optics (Suzhou)	Grace China	3	Sales	171,288	-	0.30%
13	Nano Precision (Suzhou)	Coretronic Corporation	2	Accounts receivable	39,265	-	0.08%
			2	Sales	127,639	-	0.22%

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
13	Nano Precision (Suzhou)	Coretronic (Suzhou)	3	Accounts receivable	140,825	-	0.28%
			3	Sales	532,758	-	0.93%
		Coretronic (Shanghai)	3	Sales	54,854	-	0.10%
		Coretronic (Ningbo)	3	Sales	60,348	-	0.11%
		Great Pride (HK)	3	Accounts receivable	39,081	-	0.08%
			3	Sales	62,519	-	0.11%
		Coretronic Display (Suzhou)	3	Sales	85,507	-	0.15%
14	Young Lighting Technology	Coretronic Corporation	2	Sales	75,185	-	0.13%
		Coretronic (Suzhou)	3	Accounts receivable	1,595,606	-	3.17%
			3	Sales	3,940,897	-	6.91%
		Coretronic (Shanghai)	3	Accounts receivable	82,318	-	0.16%
			3	Sales	925,088	-	1.62%
		Coretronic Projection (Kunshan)	3	Accounts receivable	99,232	-	0.20%
			3	Sales	597,170	-	1.05%
		Coretronic (Guangzhou)	3	Sales	41,946	-	0.07%
		YLG Optotech	3	Accounts receivable	222,480	-	0.44%

<table>
<tr><th rowspan="2">No. (Note 1)</th><th rowspan="2">Related party</th><th rowspan="2">Counter-party</th><th rowspan="2">Relationship with the Company (Note 2)</th><th colspan="4">Transactions</th></tr>
<tr><th>Accounts</th><th>Amount</th><th>Collection periods (Note 3)</th><th>Percentage of consolidated operating revenues or consolidated total assets(Note 4)</th></tr>
<tr><td rowspan="4">14</td><td rowspan="4">Young Lighting Technology</td><td>YLG Optotech</td><td>3</td><td>Sales</td><td>757,152</td><td>-</td><td>1.33%</td></tr>
<tr><td rowspan="2">Coretronic Display (Suzhou)</td><td>3</td><td>Accounts receivable</td><td>415,216</td><td>-</td><td>0.82%</td></tr>
<tr><td>3</td><td>Sales</td><td>508,530</td><td>-</td><td>0.89%</td></tr>
<tr><td>Coretronic Optotech (Suzhou)</td><td>3</td><td>Sales</td><td>1,474,265</td><td>-</td><td>2.58%</td></tr>
<tr><td rowspan="4">15</td><td rowspan="4">Coretronic (Shanghai)</td><td rowspan="2">Young Lighting Technology</td><td>3</td><td>Accounts receivable</td><td>58,891</td><td>-</td><td>0.12%</td></tr>
<tr><td>3</td><td>Sales</td><td>2,405,965</td><td>-</td><td>4.22%</td></tr>
<tr><td rowspan="2">Coretronic Display (Suzhou)</td><td>3</td><td>Accounts receivable</td><td>293,659</td><td>-</td><td>0.58%</td></tr>
<tr><td>3</td><td>Sales</td><td>329,775</td><td>-</td><td>0.58%</td></tr>
<tr><td rowspan="4">16</td><td rowspan="4">Greendale</td><td>Coretronic Coproration</td><td>2</td><td>Other receivables</td><td>3,319,831</td><td>-</td><td>6.59%</td></tr>
<tr><td>Vimax (Kunshan)</td><td>3</td><td>Other receivables</td><td>202,285</td><td>-</td><td>0.40%</td></tr>
<tr><td>Coretronic Projection (Kunshan)</td><td>3</td><td>Other receivables</td><td>3,121,606</td><td>-</td><td>6.20%</td></tr>
<tr><td>Coretronic Display (Suzhou)</td><td>3</td><td>Other receivables</td><td>275,610</td><td>-</td><td>0.55%</td></tr>
<tr><td rowspan="5">17</td><td rowspan="5">Coretronic Projection (Kunshan)</td><td rowspan="2">Vimax (Kunshan)</td><td>3</td><td>Accounts receivable</td><td>2,000,814</td><td>-</td><td>3.97%</td></tr>
<tr><td>3</td><td>Sales</td><td>3,925,228</td><td>-</td><td>6.88%</td></tr>
<tr><td rowspan="2">Young Lighting Technology</td><td>3</td><td>Accounts receivable</td><td>441,291</td><td>-</td><td>0.88%</td></tr>
<tr><td>3</td><td>Sales</td><td>1,338,953</td><td>-</td><td>2.35%</td></tr>
<tr><td>Greendale</td><td>3</td><td>Accounts receivable</td><td>3,523,236</td><td>-</td><td>7.00%</td></tr>
</table>

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
17	Coretronic Projection (Kunshan)	Greendale	3	Sales	10,322,640	-	18.09%
		Young Green Energy	3	Sales	34,623	-	0.06%
		Coretronic Display (Suzhou)	3	Other receivables	163,991	-	0.33%
18	Boom Power Electronics (Suzhou)	Coretronic Projection (Kunshan)	3	Sales	63,456	-	0.11%
19	Coretronic (Ningbo)	Lead Bright (HK)	3	Accounts receivable	625,330	-	1.24%
			3	Sales	1,628,656	-	2.85%
		YLG Optotech	3	Other receivables	276,106	-	0.55%
		Coretronic Display (Suzhou)	3	Other receivables	279,066	-	0.55%
20	Young Bright Optical (Suzhou)	Nano Precision (Suzhou)	3	Sales	57,396	-	0.10%
21	Suzhou Nano Display	Coretronic (Suzhou)	3	Sales	110,466	-	0.19%
		Wisdom Success (HK)	3	Sales	32,333	-	0.06%
		Coretronic Display (Suzhou)	3	Sales	31,644	-	0.06%
		Coretronic Optotech (Suzhou)	3	Sales	90,378	-	0.16%
22	Coretronic (Guangzhou)	Young Lighting Technology	3	Sales	225,365	-	0.40%
23	Guangzhou Nano Display	Coretronic (Guangzhou)	3	Sales	39,440	-	0.07%
24	Nano Precision (Nanjing)	Coretronic (Suzhou)	3	Sales	64,435	-	0.11%
		Nano Precision (Suzhou)	3	Other receivables	170,125	-	0.34%

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
25	Wisdom Success (HK)	Coretronic (Suzhou)	3	Other receivables	53,512	-	0.11%
			3	Sales	164,947	-	0.29%
		Young Bright Optical (Suzhou)	3	Sales	32,335	-	0.06%
26	Bigshine (HK)	Coretronic (Shanghai)	3	Other receivables	356,597	-	0.71%
27	Lead Bright (HK)	Coretronic Corporation	2	Other receivables	45,425	-	0.09%
			2	Sales	282,781	-	0.50%
		Coretronic (Ningbo)	3	Sales	130,239	-	0.23%
		Core-Flex	3	Other receivables	136,473	-	0.27%
28	YLG Optotech	Young Lighting Technology	3	Accounts receivable	156,103	-	0.31%
			3	Sales	893,927	-	1.57%
		Coretronic (Shanghai)	3	Sales	342,654	-	0.60%
		Coretronic Display (Suzhou)	3	Accounts receivable	46,762	-	0.09%
			3	Sales	48,979	-	0.09%
29	Young Optics (BD)	Grace China	3	Sales	207,539	-	0.36%
30	Coretronic Display (Suzhou)	Coretronic Corporation	2	Sales	112,042	-	0.20%
		Young Lighting Technology	3	Accounts receivable	643,342	-	1.28%
			3	Sales	1,059,100	-	1.86%

No. (Note 1)	Related party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Accounts	Amount	Collection periods (Note 3)	Percentage of consolidated operating revenues or consolidated total assets(Note 4)
30	Coretronic Display (Suzhou)	YLG Optotech	3	Accounts receivable	44,389	-	0.09%
			3	Sales	79,094	-	0.14%
31	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivable	5,448,374	-	10.82%
			2	Sales	5,145,671	-	9.02%
		Young Lighting Technology	3	Sales	793,797	-	1.39%

Note 1: Coretronic Corporation and its subsidiaries are coded as follows:
1. Coretronic Corporation is coded "0"
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:
1. The holding company to subsidiary.
2. The subsidiary to holding company.
3. Subsidiaries to subsidiaries.

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

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

ATTACHMENT 6 (Names, locations and related information of investee companies as of December 31, 2016) (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 December 31, 2016			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%	$ 4,711,624	$ 544,058	$ 544,058	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	902,639	107,639	107,639	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,156,668	1,156,668	36,522,900	78.06%	2,359,348	203,998	159,242	Subsidiary
Coretronic Corporation	Visicorp Limited	B.V.I.	Holding company	614,303	614,303	18,700	100.00%	10,051,822	976,550	976,550	Subsidiary
Coretronic Corporation	Coretronic Venture Capital Co., Ltd.	Miaoli County, Taiwan	The investment activities of company 's business expansion	300,000	300,000	30,000,000	100.00%	285,979	843	843	Subsidiary
Coretronic Corporation	Coretronic System Engineering Co.	Hsinchu County, Taiwan	Engaged in the production and integration of Multimedia products	105,000	105,000	10,500,000	100.00%	(1,161)	5,735	5,735	Subsidiary
Coretronic Corporation	Chung Tsen Investment Corp.	Miaoli County, Taiwan	Investing company for strategic purposes	692,696	692,696	127,099,664	100.00%	1,245,111	23,064	23,064	Subsidiary
Coretronic Corporation	Young Green Energy Co.	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of Electronic Components, Battery, Computer and its Peripheral Devices, and Electronic Material	175,122	175,122	14,883,491	78.96%	174,557	6,550	5,171	Subsidiary
Coretronic Corporation	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of Electronic Components and Optics	583,798	583,798	43,757,586	38.36%	1,372,532	(198,693)	(76,226)	Subsidiary
Coretronic Corporation	Young Lighting Technology Inc.	Hsinchu City, Taiwan	Engaged in the design, production and marketing of General Lighting Application, Electronic Components and Optical Devices	201,617	201,617	43,172,191	100.00%	836,923	(56,882)	(56,882)	Subsidiary
Coretronic Corporation	Optoma Corporation	New Taipei City, Taiwan	Engaged in the production and marketing of Data Storage and Processing Equipment, Electronic Components, Optical Devices, Wireless Communications Equipment and Electronic Appliances	358,198	358,198	43,082,440	68.94%	828,903	61,029	42,074	Subsidiary

ATTACHMENT 6-1 (Names, locations and related information of investee companies as of December 31, 2016) (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 December 31, 2016			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 146,505,608	USD 16,979,699	(Note a)	Associate
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 8,000,000	USD 8,000,000	8,000	100.00 %	USD 240,697,139	USD 27,046,666	(Note a)	Associate
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 16,320,383	(USD 922,229)	(Note a)	Associate
Visicorp	Investdragon	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 2,208,266	USD 74,851	(Note a)	Associate
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 27,801,287	USD 2,505,161	(Note a)	Associate
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 13,309,575	USD 933,500	(Note a)	Associate
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,665,000	USD 5,665,000	5,665,000	12.11 %	USD 11,347,382	USD 6,381,146	(Note a)	Associate
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 8,000,000	USD 8,000,000	8,000	100.00 %	USD 117,076,334	USD 19,599,159	(Note a)	Associate
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 78,676,108	USD 9,594,644	(Note a)	Associate
Wisdom Success	Investdragon (HK)	HK	Holding company	USD 2,000,000	USD 2,000,000	2,000	40.00 %	USD 1,467,647	USD 124,746	(Note a)	Associate
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 21,296,553	USD 2,427,196	(Note a)	Associate
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 21,433,771	(USD 2,537,742)	(Note a)	Associate
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 12,860,264	(USD 2,537,742)	(Note a)	Associate
Investdragon	Investdragon (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	60.00 %	USD 2,201,467	USD 124,746	(Note a)	Associate
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 27,801,236	USD 9,594,644	(Note a)	Associate
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 13,309,480	USD 2,427,196	(Note a)	Associate
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 27,988,423	USD 3,345,726	(Note a)	Associate
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 65,133,182	USD 4,777,462	(Note a)	Associate
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 4,655,527	USD 3,117,867	(Note a)	Associate
Tecpoint	Nano Precision	HK	Holding company	USD 6,800,000	USD 6,800,000	6,800,000	100.00 %	USD 8,875,589	(USD 1,540,236)	(Note a)	Associate
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 13,365,017	USD 200,265	(Note a)	Associate
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800	100.00 %	USD 64,118,168	USD 4,769,045	(Note a)	Associate

Note a: The share of profit/loss of associates were recognized by the holding company.
Note b: Based on group's operation plans, the ownership of Brightbridge and Crystal was transferred from Wisdom Success to Young Lighting as at November 1, 2015.

ATTACHMENT 6-2 (Names, locations and related information of investee companies as of December 31, 2016) (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 December 31, 2016			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Chung Tsen Investment	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	$ 429,045	$ 22,204	(Note a)	Associate
Chung Tsen Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of Electronic Components and Optics	71,089	71,089	5,203,317	4.56 %	163,210	(198,693)	(Note a)	Subsidiary
Chung Tsen Investment	Young Green Energy	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of Electronic Components, Battery, Computer and its Peripheral Devices and Electronic Material	18,000	18,000	1,500,000	7.96 %	18,097	6,550	(Note a)	Subsidiary
Chung Tsen Investment	Tsen Ming Investment	Miaoli County, Taiwan	Investing company for strategic purpose	102,000	102,000	32,443,180	100.00 %	328,876	4,037	(Note a)	Associate
Chung Tsen Investment	Optoma	Tiapei City, Taiwan	Engaged in the production and marketing of Data Storage and Processing Equipment, Electronic Components, Optical Devices, Wireless Communications Equipment and Electronic Appliances	31,500	31,500	4,095,000	6.55 %	78,329	61,029	(Note a)	Subsidiary
Chung Tsen Investment	Core-Flex	Cayman Islands	Holding company	USD 3,130,000	USD 1,305,000	3,130,000	1.39 %	2,330	101,171	(Note a)	Subsidiary
Venture Orient	Tecpoint	B.V.I.	Holding company	USD 4,600,000	USD 4,600,000	4,600,000	9.83 %	USD 9,214,135	USD 6,381,146	(Note a)	Subsidiary
Tsen Ming Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of Electronic Components and Optics	77,035	77,035	4,099,886	3.60 %	130,497	(198,693)	(Note a)	Subsidiary
Tsen Ming Investment	Young Green Energy	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of Electronic Components, Battery, Computer and its Peripheral Devices and Electronic Material	26,379	26,379	2,449,729	13.00 %	27,212	6,550	(Note a)	Subsidiary
Tsen Ming Investment	Optoma	Tiapei City, Taiwan	Engaged in the production and marketing of Data Storage and Processing Equipment, Electronic Components, Optical Devices, Wireless Communications Equipment and Electronic Appliances	52,625	52,625	4,940,000	7.91 %	106,048	61,029	(Note a)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	USD 1,718,289	USD 1,718,289	8,170,000	3.61 %	14,060	101,171	(Note a)	Associate
Young Green Energy	Boom Power	B.V.I.	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00 %	72,981	16,967	(Note a)	Associate
Young Optics	Masterview	B.V.I.	Holding company	USD 6,000,000	USD 6,000,000	6,000,000	100.00 %	2,318,789	110,936	(Note a)	Associate
Young Optics	Young Optics Inc.USA	USA	Operating maintenance services business	USD 50,000	USD 50,000	50,000	100.00 %	501	(137)	(Note a)	Associate
Young Optics	Aptek Optical	Hsinchu County, Taiwan	Manufacturing and selling of optics instruments and electronic components	298,140	239,065	9,250,000	92.50 %	77,782	(49,083)	(Note a)	Associate
Young Optics	Mejiro Genossen Inc.	JP	Researching, developing, manufacturing and selling of optics machines	JPY 96,850,908	-	2,970	99.00 %	25,265	(2,212)	(Note a)	Associate
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 29,823,663	USD 1,839,397	(Note a)	Associate
Masterview	Grace China	Cayman Islands	Holding company	USD 8,156,458	USD 8,156,458	8,156,458	100.00 %	USD 37,863,303	USD 1,703,569	(Note a)	Associate
Masterview	Young Optics (BD) LTD.	Bengal	Manufacturing of optics components	USD 1,000,000	USD 1,000,000	799,985	50.00 %	(USD 336,647)	(USD 734,906)	(Note a)	Associate
Masterview	Young Optics Europe GmbH	Germany	Manufacturing and selling of 3D printer	EUR 18,750	EUR 18,750	-	75.00 %	(USD 3,030)	(USD 8,375)	(Note a)	Associate
Grace China	Young Optics (BD) LTD.	Bengal	Manufacturing of optics components	USD 1,000,000	USD 1,000,000	799,985	50.00 %	(USD 336,647)	(USD 734,906)	(Note a)	Associate
Optoma	Dynamic Time	Cayman Islands	Holding company	USD 14,122,230	USD 14,122,230	14,856	100.00 %	1,618,722	USD 3,138,460	(Note a)	Associate

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

ATTACHMENT 6-3 (Names, locations and related information of investee companies as of December 31, 2016) (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 December 31, 2016			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 18,691,941	GBP 2,570,109	(Note a)	Associate
Dynamic Time	Optoma USA	USA	Marketing and after sales service of Optoma in Americas region	USD 8,821,889	USD 8,821,889	825,000	100.00 %	USD 3,657,741	(USD 952,780)	(Note a)	Associate
Dynamic Time	Modern Smart	B.V.I.	Holding company	USD 1,200,000	USD 1,200,000	1,200,000	100.00 %	USD 3,566,561	USD 328,359	(Note a)	Associate
Dynamic Time	Optoma (China&HK) Ltd.	HK	Marketing and after sales service of Optoma in Hong Kong and the Asia-Pacific region	USD 309,546	USD 309,546	2,400,000	100.00 %	USD 394,467	HKD 2,075,505	(Note a)	Associate
Optoma Europe	Optoma Deutschland GmbH	Germany	Marketing and after sales service of Optoma in European region	EUR 958,000	EUR 958,000	-	100.00 %	GBP 1,692,168	EUR 748,158	(Note a)	Associate
Optoma Europe	Optoma France	France	Marketing and after sales service of Optoma in European region	GBP 67,376	GBP 67,376	-	100.00 %	GBP 550,346	EUR 183,053	(Note a)	Associate
Optoma Europe	Optoma Scandinavia. A.S.	Norway	Marketing and after sales service of Optoma in European region	GBP 8,260	GBP 8,260	100	100.00 %	GBP 554,927	NOK 1,180,998	(Note a)	Associate
Optoma Europe	Optoma Espana, S.L.	Spain	Marketing and after sales service of Optoma in European region	EUR 103,006	EUR 103,006	5,150,280	100.00 %	GBP 539,067	EUR 94,998	(Note a)	Associate
Optoma Europe	Optoma Benelux B.V.	Netherlands	Marketing and after sales service of Optoma in European region	EUR 18,000	EUR 18,000	18,000	100.00 %	GBP 600,227	EUR 228,854	(Note a)	Associate
Young Lighting Technology	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00 %	(462,380)	(205,377)	(Note a)	Associate
Young Lighting Limited	Young Lighting (HK)	HK	Holding company	USD 847,000	USD 847,000	847	100.00 %	USD 226,110	USD 2,128	(Note a)	Associate
Young Lighting Limited	YLG Limited	Samoa	Holding company	USD 3,060,000	USD 3,060,000	3,060,000	51.00 %	(USD 531,050)	(USD 2,501,348)	(Note a)	Associate
Young Lighting Limited	Brightbridge	Samoa	Holding company	USD 1	USD 1	29,500,000	100.00 %	(USD 8,032,921)	(USD 2,886,078)	(Note a)	Associate
Young Lighting Limited	Crystal Word	Samoa	Holding company	USD 1	USD 1	22,258,000	100.00 %	(USD 5,999,683)	(USD 2,176,562)	(Note a)	Associate
Coretronic System Engineering	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	(5,682)	USD 233,522	(Note a)	Associate
Coretronic System Engineering Limited	Coretronic System Engineering (HK)	HK	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	(USD 176,193)	USD 233,522	(Note a)	Associate

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

ATTACHMENT 7 (Investment in Mainland China as of December 31, 2016)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2016	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2016	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2016	Accumulated inward remittance of earnings as of December 31, 2016
					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)	$ 549,904	100.00%	$ 549,904	$ 4,250,358	$ -
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)	225	100.00%	225	19,708	-
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)	115,865	100.00%	115,865	864,151	-
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)	466,621	100.00%	466,621	3,158,638	-
Coretronic Optotech (Suzhou)	Research and development, manufacturing and processing optical components such as backlight module, LCD module, LCD TV and panel display. Sales of the company's own products and provide after-sales maintenance services	390,000 (USD 12,000,000)	Indirect investment from the third region(Wisdom Success HK)	-	-	-	-	172,885	100.00%	172,885	554,589	-
Coretronic (Shanghai)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide related after-sales maintenance services	257,829 (USD8,000,000)	TIndirect investment from the third region(Bigshine HK)	95,254 (USD3,000,000)	-	-	95,254 (USD3,000,000)	(70,438)	100.00%	(70,438)	394,858	-
Coretronic (Nanjing)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide related after-sales maintenance services	160,883 (USD5,000,000)	Indirect investment from the third region(Investdragon HK)	96,263 (USD3,000,000)	-	-	96,263 (USD3,000,000)	4,024	100.00%	4,024	118,329	-
Coretronic Display (Suzhou)	Research and development, manufacturing panel modules and related components of the business, sales of the company's own production and provide related after-sales maintenance services	1,547,564 (USD51,758,000)	Indirect investment from the third region(Brightbridge and Crystal Word)	88,972 (USD2,967,283)	-	-	88,972 (USD2,967,283)	(164,446)	100.00%	(164,446)	(449,849)	-
Coretronic (Ningbo)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide related after-sales maintenance services	650,050 (USD20,000,000)	Indirect investment from the third region(Lead Bright HK)	151,490 (USD4,700,000)	-	-	151,490 (USD4,700,000)	308,277	100.00%	308,277	3,278,010	-
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)	101,936	99.36%	101,284	304,325	-
Young Lighting (Suzhou)	Research and development, manufacturing, processing lighting, backlight module, LCD module, touch module and other optical components, sales of the company's products and provide related services	USD 1,075,000	Indirect investment from the third region(Young Lighting HK)	USD 847,000	-	-	USD 847,000	-	100.00%	-	- (Note c)	-
Nano Precision (Suzhou)	Manufacture and sale of acrylic panels and light guide plate	426,839 (USD13,300,000)	Indirect investment from the third region(Great Pride HK)	330,478 (USD10,392,880)	-	-	330,478 (USD10,392,880)	132,236	100.00%	132,236	1,851,059	-
Nano Display (Suzhou)	Research and development, manufacturing backlight module related components, sales of the company's own products and provide related after-sales maintenance services	92,088 (USD2,800,000)	Indirect investment from the third region(Great Pride HK)	-	-	-	-	21,608	100.00%	21,608	214,114	-
Coretronic (Guangzhou)	Research and development, manufacturing backlight module related components, sales of the company's own products and provide related after-sales maintenance services	417,580 (USD13,000,000)	Indirect investment from the third region(Elite View HK)	29,020 (USD1,000,000)	-	-	29,020 (USD1,000,000)	78,299	100.00%	78,299	1,116,029	-
Nano Precision (Nanjing)	Manufacture and sale of acrylic panels and light guide plate	217,659 (USD6,800,000)	Indirect investment from the third region(Nano Precision)	119,025 (USD3,700,000)	-	-	119,025 (USD3,700,000)	(49,686)	100.00%	(49,686)	288,872	-
Nano Display (Guangzhou)	Research and development, processing, manufacture of liquid crystal display light guide plate, the sale of the company's products and provide related services	238,740 (USD7,800,000)	Indirect investment from the third region(Nano Display)	9,820 (USD308,797)	-	-	9,820 (USD308,797)	6,460	100.00%	6,460	431,021	-
YLG Optotech	Research and development, processing, manufacturing display components, sales of production for products and provide after-sales service	USD 6,000,000	Indirect investment from the third region(YLG Limited)	USD 3,060,000	-	-	USD 3,060,000	(80,337)	51.00%	(40,972)	(17,144)	-
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	7,623	100.00%	7,623	(5,682)	-
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	17,130	100.00%	17,130	72,961	-

Accumulated investment in Mainland China as of December 31, 2016 (Note a), (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b), (Note d)	Upper limit on investment
$3,612,114 (USD110,418,960)	$3,561,011 (USD 110,418,960)	$12,979,857

Note a: To use historical currency rates.

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

Note c: Young Lighting (Suzhou) had been liquidated in June 2014.

Note d: To use the currency rate 1 USD = 32.25 NTD as of December 31, 2016.

ATTACHMENT 7-1 (Investment in Mainland China as of December 31, 2016)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2016	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2016	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a)	Carrying value as of December 31, 2016 (Note a)	Accumulated inward remittance of earnings as of December 31, 2016
					Outflow	Inflow						
Young Optics (Kunshan)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	$ 727,119 (USD 22,200,000) (Note c and Note d)	Indirect investment from the third region (Modern Smart)	$ 164,450 (USD 5,000,000)	$ -	$ -	$ 164,450 (USD 5,000,000)	$ 81,003 (USD 2,509,531)	100.00%	$ 81,003 (USD 2,509,531)	$ 1,389,907 (USD 43,097,893)	$ -
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 (Modern Smart)	33,951 (USD 1,000,000)	-	-	33,951 (USD 1,000,000)	39,598 (USD 1,223,331)	100.00%	39,598 (USD 1,223,331)	620,575 (USD 19,242,635)	990,407 (USD 20,235,299 and RMB 80,635,502) (Note b、Note e、Note f and Note g)

Accumulated investment in Mainland China as of December 31, 2016 (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment
$198,401 (USD 6,000,000)	$233,101 (USD 7,020,000)	$2,146,610

Note a: The investments were fully consolidated in accordance with the Regulations.
Note b: To use historical currency rates.
Note c: Young Optics (Kunshan) invested USD 9,800 thousand through capitalization of earnings in 2007. Best Alpha Investments Limited invested USD 2,300 thousand.
Note d: Young Optics (Kunshan) invested USD 1,300 thousand through capitalization of earnings in April 2009. Grace China Investments Limited invested USD 824,850. Best Alpha Investments Limited invested USD 2,975,150.
Note e: Best Alpha Investments Limited received cash dividends amounted to USD 20,235,299 for distribution profits from Young Optics (Suzhou) in 2011 and had remitted it back to Young Optics.
Note f: Best Alpha Investments Limited received cash dividends amounted to RMB 27,691,452 and USD 4,509,641 for distribution profits from Young Optics (Suzhou) in 2014. The RMB 24,922,307 of them had been remitted back to Young Optics.
Note g: Best Alpha Investments Limited received cash dividends amounted to RMB 52,944,050 for distribution profits from Young Optics (Suzhou) in 2015 and had remitted it back to Young Optics.

ATTACHMENT7-2(Investment in Mainland China as of December 31, 2016)

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

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2016	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2016	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a), (Note b)	Carrying value as of December 31, 2016	Accumulated inward remittance of earnings as of December 31, 2016
					Outflow	Inflow						
Daf International (ShangHai)	Marketing and after-sales service of Optoma's technology products in the Mainland China	$ 38,412 (USD1,200,000)	Indirect investment from the third region (Modern Smart)	$ 38,412 (USD 1,200,000)	$ -	$ -	$ 38,412 (USD 1,200,000)	$ 9,919 RMB 2,319,028	100.00%	$ 9,919 RMB 2,319,028	$ 70,854 RMB 15,235,878	$ -

Accumulated investment in Mainland China as of December 31, 2016 (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment (Note c)
$38,412 (USD 1,200,000)	$176,798 (USD 5,900,000) (Note d)	$721,413

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

1.The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm.

2.The financial statements was certificated by the CPA of the parent company in Taiwan.

3.Other: The financial statements were not audited by the CPA.

Note b : To use historical currency rates.

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

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

Note e : Optoma had disposed 80.1% shares of LIULI on August 1, 2014. Optoma had no control over it and current profit and loss and the carrying value of the investment were not applicable.

ATTACHMENT8 (Securities held as of December 31, 2016)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investment company	Account item	Financial Product	Type	Contract expiry date	Contract amount	Book value	Fair value	Note
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	From Jan to Jun,2017	USD 120,000,000	$ 83,574	$ 83,574	Note a
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From Jan to Feb,2017	USD 194,000,000	(53,282)	(53,282)	Note a
Coretronic Corporation	Hedging derivative financial assets (liabilities), current	Forward foreign exchange contract	Buying USD	From Jan to Jun,2017	USD 271,000,000	84,957	84,957	Note a
Coretronic Corporation	Hedging derivative financial assets (liabilities), current	Forward foreign exchange contract	Selling USD	From Jan to Jun,2017	USD 271,000,000	(83,074)	(83,074)	Note a
Young Lighting Technology	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	From Jan to Jun,2017	USD 94,000,000	55,860	55,860	Note b
Young Lighting Technology	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From Jan to Feb,2017	USD 117,500,000	(8,424)	(8,424)	Note b
Young Lighting Technology	Hedging derivative financial assets (liabilities), current	Forward foreign exchange contract	Buying USD	From Jan to Jun,2017	USD 70,000,000	39,976	39,976	Note b
Young Lighting Technology	Hedging derivative financial assets (liabilities), current	Forward foreign exchange contract	Selling USD	From Jan to Jun,2017	USD 70,000,000	(38,168)	(38,168)	Note b
Optoma	Financial assets at fair value through profit or loss, current	Forward cross currency contract	—	From Jan to Mar,2017	USD 20,500,000	8,446	8,446	Note c
Optoma Europe	Financial assets at fair value through profit or loss, current	Forward foreign exchange contract	Sell GBP / Buy USD	From Jan to Feb,2017	USD 9,500,000	5,479	5,479	Note d
Optoma Europe	Financial liabilities at fair value through profit or loss, current	Forward foreign exchange contract	Buy GBP / Sell EUR	Jan,2017	EUR 4,000,000	(3,645)	(3,645)	Note d
Optoma Europe	Financial liabilities at fair value through profit or loss, current	Forward foreign exchange contract	Sell GBP / Buy USD	From Jan to Mar,2017	USD 9,500,000	(1,741)	(1,741)	Note d
Optoma Europe	Financial liabilities at fair value through profit or loss, current	Forward foreign exchange contract	Buy GBP / Sell EUR	From Feb to Mar,2017	EUR 6,000,000	(2,105)	(2,105)	Note d
Dynamic Time	Hedging derivative financial assets, current	Forward foreign exchange contract	Sell GBP / Buy USD	Mar,2017	GBP 3,500,000	(359)	(359)	Note e

Note a：Coretronic Corporation entered into forward foreign exchange contracts and acquired realized profit amounted to NT$ 188,050 thousand in 2016.
Note b：Young Lighting entered into forward foreign exchange contracts and acquired realized profit amounted to NT$ 135,828 thousand in 2016.
Note c：Optoma entered into forward cross currency contracts and acquired realized loss amounted to NT$ 18,409 thousand in 2016.
Note d：Optoma Europe entered into forward foreign exchange contracts and acquired realized profit amounted to NT$ 62,219 thousand in 2016.
Note e：Dynamic Time entered into forward foreign exchange contracts and acquired realized profit amounted to NT$ 30,060 thousand in 2016.

ATTACHMENT 9 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended December 31, 2016)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Name of securities	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal				Ending Balance	
					Units / shares	Amount	Units / shares	Amount	Units / shares	Selling Price	Carrying Amount	Gain (Loss) from disposal (Note)	Units / shares	Amount
Young Optics (Kunshan)	Yun Tong wealth win to fortune daily	Acquisition of debt investments with no active market-current	Bank of Communications	-	-	$ -	-	RMB 120,000,000	-	$ -	RMB 120,000,000	RMB 482,646	-	$ -
Young Optics (Kunshan)	BOC guaranteed financial	Acquisition of debt investments with no active market-current	Bank of China	-	-	-	-	RMB 80,000,000	-	-	RMB 80,000,000	RMB 413,851	-	-
Young Optics (Kunshan)	RMB Structured Deposit of Liduoduo	Acquisition of debt investments with no active market-current	Shanghai Pudong Development Bank	-	-	-	-	RMB 120,000,000	-	-	RMB 120,000,000	RMB 269,820	-	-
Young Optics (Suzhou)	Yun Tong wealth win to fortune daily	Acquisition of debt investments with no active market-current	Bank of Communications	-	-	-	-	RMB 60,000,000	-	-	RMB 60,000,000	RMB 242,250	-	-
Young Optics (Suzhou)	Yun Tong Fortune Increasing S Profits Financial Products	Financial assets at fair value through profit or loss, current	Bank of Communications	-	-	-	-	RMB 130,000,000	-	-	RMB 130,000,000	RMB 713,582	-	-

Note：To be recognized in interest revenue.