CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
WITH
REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018

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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, 2019 and 2018, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018, 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, 2019 and 2018, and its consolidated financial performance and cash flows for the years ended December 31, 2019 and 2018, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2019 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$670,061 thousand for the year ended December 31, 2019. 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 inventories 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.

Revenue recognition

The Group recognized the revenue amounted to NT$48,711,259 thousand for the year ended December 31, 2019. Main source of revenue comes from projectors, backlight, and FPD-related sales of products and related services. As revenue is the main operating activity of the group, the Group recognized revenue when transferring a promised product or service to a customer. The terms of trade in the products agreed in their contracts are different when the performance obligations were satisfied. As a result of the higher complexity of revenue recognition, we determined the matter to be a key audit matter. Our audit procedures include, but not limited to, assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal controls within the revenue recognition; performing product-specific analytical procedures; viewing their transactions certificate and performing cut-off procedures on selected samples for a period before and after the reporting date; tracing to relevant documentation, and testing details of transaction, including sales contracts, terms of trade and other contents, and verifying the appropriateness of the timing of revenue recognition. Please refer to Notes 4 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 consolidated subsidiary whose statements are based solely on the reports of other auditors. Total assets of the consolidated subsidiary amounted to NT$125,772 thousand and NT$99,624 thousand, representing 0.25% and 0.21% of consolidated total assets as of December 31, 2019 and 2018, respectively; and total operating revenues amounted to NT$51,677 thousand and NT$33,596 thousand, representing 0.11% and 0.06% of the consolidated total operating revenues for the years ended December 31, 2019 and 2018, respectively. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. These associates and joint ventures under equity method amounted to NT$ 22,934 thousand, representing 0.05% of consolidated total assets as of December 31, 2019. The related shares of gain from the associates and joint ventures under the equity method amounted to NT$783 thousand, representing 0.05% of the consolidated net income before tax for the year ended December 31, 2019.

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 2019 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, 2019 and 2018.

Hsu, Hsin-Min

Chen, Chih-Chung

Ernst & Young, Taiwan
February 17, 2020

Notice to Readers

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

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2019 and 2018

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2019	%	December 31, 2018	%
Current assets					
Cash and cash equivalents	6(1)	$ 20,161,863	40.88	$ 17,226,050	35.86
Financial assets at fair value through profit or loss-current	6(2)	84,321	0.17	63,250	0.13
Hedging financial assets-current	6(3), 12	4,207	0.01	11,613	0.03
Notes receivables, net	6(5), 6(19)	41,467	0.08	256,793	0.53
Trade receivables, net	6(6), 6(19)	11,687,611	23.70	13,358,726	27.81
Trade receivables-related parties, net	6(6), 6(19), 7	201	-	1,912	-
Other receivables	8	252,722	0.51	510,870	1.06
Current tax assets	4, 6(24)	12,527	0.03	19,146	0.04
Inventories, net	6(7)	6,062,756	12.29	7,882,359	16.41
Prepayments		532,824	1.08	483,352	1.01
Other current assets		139,196	0.28	169,225	0.35
Total current assets		38,979,695	79.03	39,983,296	83.23
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	6(2)	35,412	0.07	20,065	0.04
Financial assets at fair value through other comprehensive income-noncurrent	6(4)	447,469	0.91	359,859	0.75
Investments accounted for using equity method	6(8)	22,934	0.05	-	-
Property, plant and equipment, net	6(9), 8	6,930,269	14.05	6,551,312	13.64
Right-of-use assets	4, 6(20)	1,977,056	4.01	-	-
Investment property, net	6(10), 8	168,406	0.34	176,459	0.37
Intangible assets	6(11)	281,674	0.57	156,402	0.33
Deferred tax assets	4, 6(24)	303,144	0.61	302,673	0.63
Net defined benefit assets-noncurrent	6(15)	12,603	0.03	10,676	0.02
Other noncurrent assets	8	164,458	0.33	476,463	0.99
Total non-current assets		10,343,425	20.97	8,053,909	16.77
Total assets		$ 49,323,120	100.00	$ 48,037,205	100.00

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English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2019 and 2018

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	December 31, 2019	%	December 31, 2018	%
Current liabilities					
Short-term borrowings	6(12)	$ 8,521,341	17.28	$ 6,414,641	13.35
Financial liabilities at fair value through profit or loss-current	6(13)	153,107	0.31	23,475	0.05
Hedging financial liabilities-current	6(13), 12	-	-	2,402	0.01
Contract liabilities-current	6(18)	294,152	0.60	353,528	0.74
Notes payable		507	-	-	-
Accounts payable		8,441,190	17.11	9,272,126	19.30
Accounts payable-related parties	7	23,445	0.05	40,422	0.08
Other payables	7	4,092,358	8.30	4,627,935	9.63
Current tax liabilities	4, 6(24)	789,088	1.60	925,636	1.93
Provisions-current	6(16)	767,350	1.55	826,791	1.72
Lease liabilities-current	4, 6(20)	335,921	0.68	-	-
Other current liabilities		453,986	0.92	543,884	1.13
Current portion of long-term borrowings	6(14)	6	-	165,004	0.34
Total current liabilities		23,872,451	48.40	23,195,844	48.28
Non-current liabilities					
Long-term borrowings	6(14)	183,427	0.37	287,295	0.60
Deferred tax liabilities	4, 6(24)	24,637	0.05	32,746	0.07
Lease liabilities-noncurrent	4, 6(20)	1,439,424	2.92	-	-
Net defined benefit liabilities-noncurrent	6(15)	196,891	0.40	192,723	0.40
Other noncurrent liabilities		53,730	0.11	62,944	0.13
Total non-current liabilities		1,898,109	3.85	575,708	1.20
Total liabilities		25,770,560	52.25	23,771,552	49.48
Equity attributable to owners of the parent					
Share capital					
Common stock	6(17)	4,344,231	8.81	4,344,231	9.04
Capital surplus	6(17)	3,727,475	7.55	4,072,808	8.48
Retained earnings	6(17), 6(25)				
Legal reserve		3,774,564	7.65	3,572,543	7.44
Special reserve		2,469,437	5.01	2,483,647	5.17
Unappropriated retained earning		9,429,258	19.12	9,345,802	19.46
Total retained earnings		15,673,259	31.78	15,401,992	32.07
Other equity		(2,361,770)	(4.79)	(1,613,818)	(3.36)
Total equity attributable to owners of the parent		21,383,195	43.35	22,205,213	46.23
Non-controlling interests	6(17)	2,169,365	4.40	2,060,440	4.29
Total equity		23,552,560	47.75	24,265,653	50.52
Total liabilities and equity		$ 49,323,120	100.00	$ 48,037,205	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, 2019 and 2018

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

Description	Note	For the year ended December 31 2019	%	For the year ended December 31 2018	%
Net sales	4, 6(18), 7	$ 48,711,259	100.00	$ 55,672,933	100.00
Operating costs	4, 6(7), 6(11), 6(20), 6(21), 7	39,904,813	81.92	45,303,063	81.37
Gross profit		8,806,446	18.08	10,369,870	18.63
Operating expenses	6(11), 6(15), 6(19), 6(20), 6(21)				
Selling expenses		1,969,687	4.04	2,112,270	3.80
General and administrative expenses		2,183,108	4.48	2,484,040	4.46
Research and development expenses		3,452,548	7.09	3,471,941	6.24
Total operating expenses		7,605,343	15.61	8,068,251	14.50
Operating income		1,201,103	2.47	2,301,619	4.13
Non-operating income and expenses					
Other income	6(22)	698,587	1.43	598,873	1.08
Other gains and losses	6(22)	149,075	0.31	211,829	0.38
Finance costs	6(22)	(347,636)	(0.71)	(245,000)	(0.44)
Share of gain of associates and joint ventures accounted for using equity method	6(8)	783	-	-	-
Total non-operating income and expenses		500,809	1.03	565,702	1.02
Income before income tax		1,701,912	3.50	2,867,321	5.15
Income tax expense	4, 6(24)	(543,605)	(1.12)	(739,137)	(1.33)
Net income		1,158,307	2.38	2,128,184	3.82
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6(21)	(16,864)	(0.03)	(15,326)	(0.03)
Unrealized gain (loss) from equity instrument investments measured at fair value through other comprehensive income	6(23)	89,230	0.18	(65,698)	(0.12)
Income tax related to items that will not be reclassified subsequently to profit or loss	6(23), 6(24)	2,661	0.01	4,805	0.01
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(23)	(876,580)	(1.80)	(287,075)	(0.51)
Gain on hedging instruments	6(25)	913	-	7,823	0.01
Income tax related to items that may be reclassified subsequently to profit or loss	6(23), 6(24)	(182)	-	(3,939)	(0.01)
Other comprehensive income (loss), net of tax		(800,822)	(1.64)	(359,410)	(0.65)
Total comprehensive income (loss)		$ 357,485	0.74	$ 1,768,774	3.17
Net income for the periods attributable to :					
Shareholders of the parent	6(25)	$ 1,153,070		$ 2,020,219	
Non-controlling interests	6(17), 6(26)	$ 5,237		$ 107,965	
Total comprehensive income (loss) for the periods attributable to :					
Shareholders of the parent		$ 392,161		$ 1,649,136	
Non-controlling interests		$ (34,676)		$ 119,638	
Basic Earnings Per Share (in New Taiwan Dollars)	6(25)	$ 2.65		$ 4.65	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(25)	$ 2.62		$ 4.56	

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, 2019 and 2018

(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 gains or losses on financial assets measured at fair value through other comprehensive income (loss)	Effective hedging instrument from cash flow hedge	Gains or losses on hedging instruments	Total	Non-controlling interests	Total equity
Balance as of January 1, 2018	$ 4,344,231	$ 4,092,423	$ 3,397,480	$ 1,962,450	$ 8,928,344	$ (1,188,212)	$ -	$ (4,615)	$ -	$ 21,532,101	$ 2,014,560	$ 23,546,661
Effects of retroactive application and restatement	-	-	-	-	189,639	-	(59,990)	4,615	(4,615)	129,649	342	129,991
Restated balance as of January 1, 2018	4,344,231	4,092,423	3,397,480	1,962,450	9,117,983	(1,188,212)	(59,990)	-	(4,615)	21,661,750	2,014,902	23,676,652
Acquisition or disposal of the interest of subsidiaries	-	197,582	-	-	-	-	-	-	-	197,582	(23,662)	173,920
Changes in subsidiaries' ownership	-	14	-	-	-	-	-	-	-	14	-	14
Appropriation and distribution of 2017 earnings:												
Legal reserve	-	-	175,063	-	(175,063)	-	-	-	-	-	-	-
Special reserve	-	-	-	521,197	(521,197)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,086,058)	-	-	-	-	(1,086,058)	-	(1,086,058)
Cash dividends distributed from capital surplus	-	(217,211)	-	-	-	-	-	-	-	(217,211)	-	(217,211)
Net income for the year ended December 31, 2018	-	-	-	-	2,020,219	-	-	-	-	2,020,219	107,965	2,128,184
Other comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	(10,082)	(299,534)	(65,351)	-	3,884	(371,083)	11,673	(359,410)
Total comprehensive income (loss)	-	-	-	-	2,010,137	(299,534)	(65,351)	-	3,884	1,649,136	119,638	1,768,774
Decrease of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(50,438)	(50,438)
Balance as of December 31, 2018	4,344,231	4,072,808	3,572,543	2,483,647	9,345,802	(1,487,746)	(125,341)	-	(731)	22,205,213	2,060,440	24,265,653
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	150	-	-	-	-	-	-	-	150	-	150
Acquisition or disposal of the interest of subsidiaries	-	296,606	-	-	-	-	-	-	-	296,606	154,208	450,814
Changes in subsidiaries' ownership	-	9,546	-	-	-	-	-	-	-	9,546	(9,546)	-
The subsequent reversal of special reserve	-	-	-	(14,210)	14,210	-	-	-	-	-	-	-
Appropriation and distribution of 2018 earnings:												
Legal reserve	-	-	202,021	-	(202,021)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(868,846)	-	-	-	-	(868,846)	-	(868,846)
Cash dividends distributed from capital surplus	-	(651,635)	-	-	-	-	-	-	-	(651,635)	-	(651,635)
Net income for the year ended December 31, 2019	-	-	-	-	1,153,070	-	-	-	-	1,153,070	5,237	1,158,307
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	(12,957)	(837,201)	88,518	-	731	(760,909)	(39,913)	(800,822)
Total comprehensive income (loss)	-	-	-	-	1,140,113	(837,201)	88,518	-	731	392,161	(34,676)	357,485
Decrease of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,061)	(1,061)
Balance as of December 31, 2019	$ 4,344,231	$ 3,727,475	$ 3,774,564	$ 2,469,437	$ 9,429,258	$ (2,324,947)	$ (36,823)	$ -	$ -	$ 21,383,195	$ 2,169,365	$ 23,552,560

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, 2019 and 2018

(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31	
	2019	2018
Cash flows from operating activities :		
Net income before tax	$ 1,701,912	$ 2,867,321
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Expected credit (gain) loss	(80,347)	60,772
Depreciation (including investment property and right-of-use assets)	1,338,965	1,020,667
Amortization (including other noncurrent assets)	108,654	112,726
Interest expenses	347,636	245,000
Interest income	(466,602)	(404,389)
Dividend income	-	(7,712)
Transfer of property, plant and equipment to expense	1,542	610
(Gain) loss on disposal of property, plant and equipment	(7,971)	7,695
(Gain) loss on disposal of intangible assets	(2)	4
Loss on disposal of investments	24,564	-
Transfer of intangible assets to expense	896	228
Share of gain of associates and joint ventures accounted for using equity method	(783)	-
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	110,048	(38,314)
Impairment of non-financial assets	-	40,104
Changes in operating assets and liabilities:		
Note receivables	215,326	(125,561)
Accounts receivables	1,754,330	2,949,559
Accounts receivables-related parties	1,711	(538)
Other receivables	287,694	139,578
Inventories	1,835,140	26,689
Prepayments	(48,996)	98,104
Other current assets	30,959	(22,414)
Contract liabilities	(59,376)	(34,894)
Notes payable	507	(581)
Accounts payable	(830,936)	(3,578,676)
Accounts payable-related parties	(16,977)	511
Other payables	(461,759)	709,320
Provisions-current	(59,441)	84,162
Other current liabilities	(89,898)	81,421
Net defined benefit assets/liabilities	(14,623)	(8,764)
Cash generated from operating activities	5,622,173	4,222,628
Dividend received	-	7,712
Interest received	435,637	394,410
Interest paid	(346,721)	(245,661)
Income tax paid	(679,635)	(774,688)
Net cash provided by operating activities	5,031,454	3,604,401

Description	For the years ended December 31	
	2019	2018
Cash flows from investing activities :		
Acquisition of investments accounted for using equity method	$ (22,000)	$ -
Acquisition of financial assets at fair value through profit or loss	(15,415)	-
Acquisition of property, plant and equipment	(1,574,149)	(939,848)
Proceeds from disposal of property, plant and equipment	35,137	44,971
Acquisition of intangible assets	(237,432)	(102,769)
Proceeds from disposal of intangible assets	4,770	303
Increase in long-term prepaid rents	-	(75,863)
Decrease (increase) in other noncurrent assets	35,180	(41,418)
Net cash used in investing activities	(1,773,909)	(1,114,624)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	2,106,700	(1,762,018)
Decrease in long-term borrowings (including current portion of long-term borrowings)	(268,866)	(55,976)
(Decrease) increase in guarantee deposits	(1,611)	17,540
Decrease in other noncurrent liabilities	(7,430)	(620)
Cash dividends	(1,520,481)	(1,303,269)
Repayment of the principle portion of lease liabilities	(299,301)	-
Cash payment for disposal of subsidiaries' ownership	452,231	242,115
Change in non-controlling interests	(1,061)	(113,662)
Net cash provided by (used in) financing activities	460,181	(2,975,890)
Effect of exchange rate changes on cash and cash equivalents	(781,913)	(253,954)
Net increase (decrease) in cash and cash equivalents	2,935,813	(740,067)
Cash and cash equivalents at the beginning of the period	17,226,050	17,966,117
Cash and cash equivalents at the end of the period	$ 20,161,863	$ 17,226,050

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, 2019 and 2018
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. HISTORY AND ORGANIZATION

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

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

The consolidated financial statements of CORE and its subsidiaries ("the Group") were authorized for issue in accordance with the resolution of the Board of Directors' meeting on February 17, 2020.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2019. The nature and the impact of each new standard and amendment that has a material effect on the Group is described below:

IFRS 16 "Leases"

IFRS 16 "Leases" replaces IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases - Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

The Group follows the transition provision in IFRS 16 and the date of initial application was January 1, 2019. The impacts arising from the adoption of IFRS 16 are summarized as follows:

A. Please refer to Note 4 for the accounting policies before or after January 1, 2019.

B. For the definition of a lease, the Group elected not to reassess whether a contract is, or contains, a lease on January 1, 2019. The Group is permitted to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 but not to apply IFRS 16 to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. That is, for contracts entered into (or changed) on or after January 1, 2019, the Group needs to assess whether contacts are, or contain, leases applying IFRS 16. In comparing to IAS 17, IFRS 16 provides that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assessed most of the contracts are, or contain, leases and have no significant impact arisen.

C. The Group is a lessee and elects not to restate comparative information in accordance with the transition provision in IFRS 16. Instead, the Group recognizes the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

(a) Leases previously classified as operating leases

For leases that were previously classified as operating leases applying IAS 17, the Group measured and recognized those leases as lease liability on January 1, 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. In addition, the Group chooses, on a lease-by-lease basis, to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment relating to that lease recognized.

On January 1, 2019, the Group's right-of-use asset and lease liability increased by NT$1,799,385 thousand and NT$1,812,953 thousand, respectively.

Besides, on January 1, 2019, for leases that were previously classified as operating leases applying IAS 17 and whose rent had paid the rent in full, the Group reclassified the long-term rental prepayment of NT$263,375 thousand to the right-of-use asset.

In accordance with the transition provision in IFRS 16, the Group used the following practical expedients on a lease-by-lease basis to leases previously classified as operating leases:

i. Apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

ii. Rely on its assessment of whether leases are onerous immediately before January 1, 2019 as an alternative to performing an impairment review.

iii. Elect to account in the same way as short-term leases to leases for which the lease term ends within 12 months of January 1, 2019.

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iv.Exclude initial direct costs from the measurement of the right-of-use asset on January 1, 2019.

v.Use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

(b) Leases previously classified as finance leases

For leases that were previously classified as finance leases applying IAS 17, the Group reclassified the lease asset of NT$253 thousand and the lease payable of NT$253 thousand as measured by IAS 17 to the right-of-use asset of NT$253 thousand and the lease liability of NT$253 thoudand, respectively, on January 1, 2019.

(c) Please refer to Note 4 and Note 6 for additional disclosure of lessee and lessor which required by IFRS 16.

(d) As at January 1, 2019, the impacts arising from the adoption of IFRS 16 are summarized as follows:

i.The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized in the balance sheet on January 1, 2019 was 3.46%.

ii.An explanation of any difference between: 1) operating lease commitments disclosed applying IAS 17 as at December 31, 2018, discounted using the incremental borrowing rate on January 1, 2019; and 2) lease liabilities recognized in the balance sheet as at January 1, 2019.

Significant operating lease commitments disclosed applying IAS 17 as at December 31, 2018	$572,890
Insignificant operating lease commitments disclosed applying IAS 17 as at December 31, 2018	486,562
Operating lease commitments disclosed applying IAS 17 as at December 31, 2018	$1,059,452

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Discounted using the incremental borrowing rate on January 1, 2019	$966,466
Add: the carrying value of lease payables as at December 31, 2018	253
Less: adjustment to leases that meet and elect to account in the same way as short-term leases	(68,099)
Less: adjustment to leases that meet and elect the underlying asset of low value	(4,093)
Add/(less): adjustments to the options to extend or terminate the lease that is reasonably certain to exercise	918,426
The carrying value of lease liabilities recognized as at January 1, 2019	$1,812,953

D.The additional disclosures of lessee and lessor required by IFRS 16 will be disclosed in the relevant notes.

(2) Standards or interpretations issued by International Accounting Standards Board ("IASB") and endorsed by FSC, but not yet adopted by the Group as at the end of reporting period are listed below:

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

Definition of a Business (Amendments to IFRS 3)

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

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

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

The amendments include:

A. highly probable requirement

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

B. prospective assessments

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

C. IAS 39 retrospective assessment

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

D. separately identifiable risk components

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

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

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

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

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 10 and IAS 28	Amendment to "Consolidated Financial Statements" and "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
IFRS 17	Insurance Contracts	January 1, 2021
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2022

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

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

The abovementioned standards and interpretations issued by IASB have not yet been recognized by FSC, and the local effective dates are to be determined by FSC. All standards and interpretations have no material impact on the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The consolidated financial statements of the Group for the years ended December 31, 2019 and 2018 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and standards, interpretations, and amendments issued, revised, or amended which are endorsed and became effective by FSC.

(2) Basis of Preparation

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

(3) General Description of Reporting Entity

Principles of consolidation

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

A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

B. exposure, or rights, to variable returns from its involvement with the investee; and

C. the ability to use its power over the investee to affect its returns.

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

A. the contractual arrangement with the other vote holders of the investee;

B. rights arising from other contractual arrangements;

C. CORE's voting rights and potential voting rights.

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

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

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

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

If loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;

B. derecognizes the carrying amount of any non-controlling interest;

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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, 2019	December 31, 2018
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 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 components. The joint ventures also provide after sales services.	100.00%	100.00%

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

			Percentage of Ownership	
Subsidiary	Relationship	Business nature	December 31, 2019	December 31, 2018
Sinolink Global Limited ("Sinolink") and its subsidiaries	Subsidiary	Sinolink is a holding company and invests in Mainland China. Sinolink's joint ventures are the design, R&D, production and marketing of projectors. The joint ventures also provide the after sales services for self-produced and non-self-produced products.	100.00%	100.00%
Young Green Energy Co. ("YGE") and its subsidiaries	Subsidiary	YGE is engaged in the production, wholesale and retail trade of electronic components, battery, computer and peripheral devices, and electronic material. YGE's joint ventures are the R&D, production and marketing of transformers, inductors and power supply related products.	99.91%	99.91%
Young Optics Inc. ("TYO") and its subsidiaries	Subsidiary	TYO is engaged in the production, marketing and R&D of electronic components and optical engines and key components. TYO's joint ventures are the R&D, the production and after sales services of electronic components, optical modules and components.	39.77%	44.11%

Subsidiary	Relationship	Business nature	Percentage of Ownership December 31, 2019	Percentage of Ownership December 31, 2018
Young Lighting Technology Inc. ("YLT") and its subsidiaries(Note)	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.	-	-
Young Lighting Limited(YLL) and its subsidiaries(Note)	Subsidiary	YLL is a holding company and invests in Mainland China. YLL's joint ventures are the R&D, production, manufacturing and marketing of backlight module, touch module, LCD module, other optical components and lighting application. YLL's joint ventures also provide after sales services.	100.00%	100.00%
Optoma Corporation ("Optoma") and its subsidiaries	Subsidiary	Optoma is engaged in the production and marketing of data storage and processing equipment, electronic components, optical devices, wireless communications equipment, electronic appliances. Optoma's joint ventures are engaged in the marketing and after sales services of products of the brand Optoma in America, Canada, Europe, Hong Kong, and Mainland China.	100.00%	100.00%

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

Subsidiary	Relationship	Business nature	Percentage of Ownership December 31, 2019	Percentage of Ownership December 31, 2018
Chung Tsen Investment Corp. ("CGT") and its subsidiaries	Subsidiary	CGT is an investment company for strategic purposes.	100.00%	100.00%
Coretronic Intelligent Cloud Service Corporation ("CICS") and its subsidiaries	Subsidiary	CICS is engaged in intelligent cloud, IT information, intelligent applications of new media and platform development. CICS's joint ventures are contractor in intelligent building engineering and provide services to customers from various domains.	100.00%	100.00%
Coretronic Venture Capital Co. ("CVC")	Subsidiary	The investment activities of business expansion.	100.00%	100.00%
uCare Medical Electronics Co., Ltd. ("UCM")	Subsidiary	UCM is engaged in R&D, design, production and marketing of intelligent exercise and medical care related software and hardware products.	60.69%	80.00%
Champ Vision Display Inc. ("CVD")	Subsidiary	CVD is engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	80.00%	80.00%
Calibre UK Ltd.	Subsidiary	CAL is engaged in R&D, design, production and marketing of image processing products.	100.00%	100.00%

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

			Percentage of Ownership	
Subsidiary	Relationship	Business nature	December 31, 2019	December 31, 2018
InnoSpectra Corporation ("ISC")	Subsidiary	ISC is engaged in R&D and marketing of near-infrared spectrum and corresponding solutions.	80.00%	80.00%
Coretronic Intelligent Robotics Corporation ("CIRC")	Subsidiary	CIRC is engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	100.00%	100.00%
Coretronic MEMS Corporation ("CMC")	Subsidiary	CMC is engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	100.00%	-
Coretronic Reality Inc. ("CRI")	Subsidiary	CRI is engaged in R&D, and marketing of AR (Augmented reality) and MR (Mixed reality) wearable display solutions.	100.00%	-

Note: The Board of Directors adopted a resolution in October 2018 to merge 100% held subsidiary YLT with CORE and CORE acquired 100% shares of YLT's subsidiary YLL.

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) CORE acquired 4,273 thousand outstanding shares and 2,072 thousand treasury shares of Optoma in September 2018. The ownership percentage of Optoma held by CORE increased to 100%.

(b) YLT dissolution and merger with CORE were approved by the Board of Director in October 2018 and the registration process of business merger had completed and approved by regulatory authority.

(c)Nano Precision (Suzhou) Co., Ltd made an investment to establish 100% held subsidiary Nano Precision Taiwan Limited ("NPT") and had completed registration of establishment in October 2018. NPT has been fully consolidated since the investment date.

(d)uCare Medical Electronics Co., Ltd ("UCM") increase the capital by cash to attract the strategic investor in February 2019. The ownership percentage of UCM held by CORE decreased to 60.69%.

(e)As part of a business strategy, Great Pride (HK) transferred its shareholdings in Suzhou Nano Display to Coretronic (Suzhou) in June 2019. The ownership percentage of Suzhou Nano Display held by CORE remains at the same 100%.

(f) CORE made an investment to establish 100% held subsidiary Coretronic MEMS Corporation ("CMC") and had completed registration of establishment in September 2019. CMC has been fully consolidated since the investment date.

(g)CORE made an investment to establish 100% held subsidiary Coretronic Reailty Inc. ("CRI") and had completed registration of establishment in November 2019. CRI has been fully consolidated since the investment 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 translated 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 IFRS 9 Financial Instruments (Before January 1, 2018: 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) Current and Non-Current Distinction

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 IFRS 9 Financial Instruments (Before January 1, 2018: 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 instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.
The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

(a) the Group's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognise the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

    (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

    (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, at initial recognition, the Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies. Amounts presented in other comprehensive income are not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and should recorded as financial assets measured at fair value through other comprehensive income on balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were measured at amortized cost or measured at fair value through other comprehensive income only if they met particular conditions. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement are recognized in profit or loss which includes any dividend or interest received on such financial assets.

Impairment of financial assets

The Group is recognized a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has been increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

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 IFRS 9 Financial Instruments 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.

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 Instrument and Hedging Accounting

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

Derivative 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, which is recognized in equity.

If a cash flow hedge meets the conditions in paragraph 88 of IAS 39 during the period, it shall be accounted for as follows:

A. the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income; and

B. the ineffective portion of the gain or loss on the hedging instrument shall be recognized in profit or loss.

When a hedged forecast transaction occurs and results in the recognition of a financial asset or a financial liability, the gain or loss recognized in other comprehensive income does not adjust the initial carrying amount of the asset or liability, but remains in equity and is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

If the transaction is no longer expected to occur, the cumulative gain or loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment. The hedging instrument expires or is sold, terminated or exercised, and the replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination. In this case, the cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs.

(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.

Rendering of services is accounted in accordance with IFRS 15 but not within the scoping of inventories.

(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.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(14)Leases

The accounting policy from January 1, 2019 as follow:

For contracts entered on or after January 1, 2019, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and

B. the right to direct the use of the identified asset.

The Group elected not to reassess whether a contract is, or contains, a lease on January 1, 2019. The Group is permitted to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 but not to apply IFRS 16 to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses it's incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;

B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

C. amounts expected to be payable by the lessee under residual value guarantees;

D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which is increasing the carrying amount to reflect interest on the lease liability by using an effective interest method; and reducing the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;

B. any lease payments made at or before the commencement date, less any lease incentives received;

C. any initial direct costs incurred by the lessee; and

D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and presents interest expense separately from the depreciation charge associate with those leases in the consolidated income statement.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

The accounting policy before January 1, 2019 as follow:

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.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

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. Contingent rents are recognized as revenue in the period in which they are earned.

(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

Sales returns and allowances are accounted in accordance with IFRS 15.

(18) Revenue Recognition

The Group's revenue arising from contracts with customers mainly include sale of goods and rendering of services. The accounting policies for the Group's types of revenue are explained as follow:

Sale of goods

The Group manufactures and sells of merchandise. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. Revenue is recognized based on the consideration stated in the contract. The remaining sales transactions are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the products expected to be returned.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 30 to 150 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The period between the Group transfers the goods to customers and when the customers pay for that goods is usually short and have no significant financing component to the contract. For a small part of the contracts, the Group has the right to transfer the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Group provides maintenance services of products and customized design services and the revenue is recognized once the contract is completed.

Most of the contractual considerations of the Group are received on average during the contract period after the provision of maintenance services. For some rendering of services contracts, part of the consideration was received from customers upon signing the contract, then the Group has the obligation to provide the services subsequently and it should be recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arisen.

(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.

(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) 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 IFRS 9 Financial Instruments 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. Please refer to Note 6(7).

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. Recoverable 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(15) 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 6(16) 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 operating revenue. In assessing the aforementioned sales returns and allowance, on the basis of highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Please refer to Note 6 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.

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

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	December 31, 2019	December 31, 2018
Cash on hand, savings and checking accounts	$3,230,100	$3,912,765
Time deposits	16,931,763	13,213,266
Cash equivalents	-	100,019
Total	$20,161,863	$17,226,050

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

	December 31, 2019	December 31, 2018
Financial assets designated at fair value through profit or loss:		
Derivative not designated as hedging instruments		
Forward foreign exchange contracts	$83,296	$63,143
Forward cross currency contracts	1,025	107
Subtotal	84,321	63,250
Stocks	35,412	20,065
Total	$119,733	$83,315
Current	$84,321	$63,250
Noncurrent	35,412	20,065
Total	$119,733	$83,315

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

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

(3) Hedging Financial Assets

	December 31,	
	2019	2018
Hedging financial assets		
Forward foreign exchange contracts	$4,207	$11,613
Current	$4,207	$11,613
Noncurrent	-	-
Total	$4,207	$11,613

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

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

	December 31,	
	2019	2018
Equity instruments investments measured at fair value through other comprehensive income-noncurrent		
Unlisted companies stocks	$447,469	$359,859

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

(5) Notes Receivables

	December 31,	
	2019	2018
Notes receivable - arose from operating activities	$41,467	$256,793

Notes receivables were not pledged.

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

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

(6) Trade Receivables and Trade Receivables-Related Parties

	December 31,	
	2019	2018
Trade receivable	$11,728,918	$13,540,426
Less: allowance for doubtful accounts	(41,307)	(181,700)
Subtotal	11,687,611	13,358,726
Trade receivables for related parties	201	1,912
Total	$11,687,812	$13,360,638

Trade receivables were not pledged.

Trade receivables are generally on 30-150 day terms. The total carrying amount as of December 31, 2019 and 2018, are NT$11,770,586 thousand and NT$13,799,131 thousand, respectively. Please refer to Note 6(19) for more details on impairment of trade receivables. Please refer to Note 12 for more details on credit risk management.

The Group entered into factoring contracts without recourse with a number of domestic banks. To wit, banks pay to the Group 100% of the accounts receivable factored as consideration. According to the arrangement, if the client of the trade receivables factoring delays the payment, the Group shall pay interests to the bank. Upon assignment of the factoring to the bank, the bank undertakes the associated credit risk. However, the Group still issues a promissory note to the bank. If the trade receivables cannot be collected as a result of trade disputes due to factors attributable to the Group, the Group should pay the promissory note in compensation for the bank. As of December 31, 2019 and 2018 , the Group has no outstanding discounted trade receivables which were deducted from trade receivables. The credit line of factoring contracts provided by CTBC Bank and Taishin Bank are US$40,000 thousand and US$80,000 thousand, respectively.

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

(7) Inventories

	December 31,	
	2019	2018
Raw materials and supplies	$3,218,963	$5,393,686
Work in process	131,651	255,027
Finished goods	2,712,142	2,233,646
Total	$6,062,756	$7,882,359

The cost of inventories recognized in expenses amounted to NT$39,904,813 thousand and NT$45,303,063 thousand for the years ended December 31, 2019 and 2018, including the write-down of inventories and obsolescence loss of NT$251,665 thousand and NT$263,303 thousand, respectively.

The allowance write-down of inventories amounts to NT$670,061 thousand and NT$608,995 thousand as of December 31, 2019 and 2018, respectively.

No inventories were pledged.

(8) Investments Accounted for Using Equity Method

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

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

	December 31, 2018	
Investees	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Genejet Biotech Co., Ltd. ("Genejet")	$-	19.51%

In May 2019, the Group invested NT$22,000 thousand in EOE and acquired 20% of the shareholdings. The Group accounted it for using the equity method. The investment of EOE is not significant to the Group.

The Group recognized share of gain of associates and joint ventures accounted for using equity method in the amount of NT$783 thousand for the year ended December 31, 2019.

The abovementioned associates had no contingent liabilities or capital commitments as of December 31, 2019 and 2018, respectively. No investments accounted for using equity method held by the Group was pledged to others.

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

(9) Property, Plant and Equipment

A. Property, plant and equipment for own-use (after the application of IFRS 16)

	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, 2019	$39,046	$6,964,402	$5,375,501	$467,059	$43,147	$2,322	$828,149	$1,740,256	$312,192	$15,772,074
Effects of retrospective application and restatement	-	-	-	-	-	(2,322)	-	-	-	(2,322)
Additions	-	91,408	277,462	47,248	6,197	-	21,396	160,611	979,815	1,584,137
Disposals	-	(30,772)	(447,756)	(46,872)	(3,276)	-	(87,779)	(151,159)	(3,958)	(771,572)
Transfers	-	114,369	(80,700)	(2,198)	(283)	-	(19,319)	4,770	(378,832)	(362,193)
Exchange differences	146	(131,338)	(149,546)	(13,783)	(1,630)	-	(27,847)	(53,981)	(5,459)	(383,438)
As of December 31, 2019	$39,192	$7,008,069	$4,974,961	$451,454	$44,155	$-	$714,600	$1,700,497	$903,758	$15,836,686
Depreciation and Impairment:										
As of January 1, 2019	$-	$3,131,339	$3,527,821	$371,322	$35,864	$2,069	$695,710	$1,456,637	$-	$9,220,762
Effects of retrospective application and restatement	-	-	-	-	-	(2,069)	-	-	-	(2,069)
Depreciation	-	319,924	466,934	33,538	4,126	-	36,429	135,641	-	996,592
Disposals	-	(30,148)	(430,132)	(45,918)	(2,151)	-	(86,260)	(149,797)	-	(744,406)
Transfers	-	(178)	(257,107)	(5,770)	(702)	-	(20,083)	(22,831)	-	(306,671)
Exchange differences	-	(72,125)	(101,809)	(11,531)	(1,427)	-	(24,665)	(46,234)	-	(257,791)
As of December 31, 2019	$-	$3,348,812	$3,205,707	$341,641	$35,710	$-	$601,131	$1,373,416	$-	$8,906,417
Net carrying amounts as of:										
December 31, 2019	$39,192	$3,659,257	$1,769,254	$109,813	$8,445	$-	$113,469	$327,081	$903,758	$6,930,269

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

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

B. Property, plant and equipment (prior to the application of IFRS 16)

	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, 2018	$39,357	$6,884,919	$5,345,544	$473,982	$53,885	$2,250	$846,746	$1,833,359	$44,795	$15,524,837
Additions	-	71,615	287,765	39,915	2,380	-	83,074	119,577	342,809	947,135
Disposals	-	(4,811)	(247,964)	(39,445)	(12,579)	-	(19,094)	(194,357)	-	(518,250)
Transfers	-	64,879	55,121	(1,744)	88	-	(69,054)	6,621	(75,816)	(19,905)
Exchange differences	(311)	(52,200)	(64,965)	(5,649)	(627)	72	(13,523)	(24,944)	404	(161,743)
As of December 31, 2018	$39,046	$6,964,402	$5,375,501	$467,059	$43,147	$2,322	$828,149	$1,740,256	$312,192	$15,772,074
Depreciation and Impairment:										
As of January 1, 2018	$-	$2,837,306	$3,244,250	$380,631	$41,066	$1,925	$717,313	$1,542,093	$-	$8,764,584
Depreciation	-	300,821	497,887	35,099	4,555	80	48,857	125,316	-	1,012,615
Disposals	-	(4,809)	(205,183)	(38,619)	(9,222)	-	(18,679)	(189,072)	-	(465,584)
Transfers	-	26,885	(713)	(1,541)	-	-	(43,830)	(96)	-	(19,295)
Impairment losses	-	-	40,104	-	-	-	-	-	-	40,104
Exchange differences	-	(28,864)	(48,524)	(4,248)	(535)	64	(7,951)	(21,604)	-	(111,662)
As of December 31, 2018	$-	$3,131,339	$3,527,821	$371,322	$35,864	$2,069	$695,710	$1,456,637	$-	$9,220,762
Net carrying amounts as of:										
December 31, 2018	$39,046	$3,833,063	$1,847,680	$95,737	$7,283	$253	$132,439	$283,619	$312,192	$6,551,312

The Group evaluated the economic benefits for property, plant and equipment was no impairment losses for the year ended December 31, 2019 and recognized impairment losses of NT$40,104 thousand for the year ended December 31, 2018.

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

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

(10) Investment Property

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

	Buildings
Cost:	
As of January 1, 2019	$244,538
Additions from acquisitions	-
Additions from subsequent expenditure	-
Disposals	-
As of December 31, 2019	$244,538
As of January 1, 2018	$244,538
Additions from acquisitions	-
Additions from subsequent expenditure	-
Disposals	-
As of December 31, 2018	$244,538
Depreciation and Impairment:	
As of January 1, 2019	$68,079
Depreciation	8,053
As of December 31, 2019	$76,132
As of January 1, 2018	$60,027
Depreciation	8,052
As of December 31, 2018	$68,079
Net carry amount as of:	
December 31, 2019	$168,406
December 31, 2018	$176,459

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

	Years ended December 31,	
	2019	2018
Rental income from investment property	$18,204	$10,234
Less: Direct operating expenses from investment property generating rental income	(8,053)	(8,052)
Total	$10,151	$2,182

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

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

	December 31,	
	2019	2018
Fair value of the investment property	$219,800	$222,400
Discount rates	4.095%	4.095%
Growth rates	0.4%	0.4%

(11) Intangible Assets

	Trade marks	Patents	Software	IPs	Goodwill	Other	Total
Cost:							
As of January 1, 2019	$103,901	$16,049	$126,102	$54,522	$5,940	$145,856	$452,370
Additions	-	33,751	60,952	29,350	-	113,379	237,432
Disposals	-	-	(25,128)	-	-	(27,302)	(52,430)
Transfers	-	-	(1,075)	-	-	179	(896)
Exchange differences	(74)	(4)	(204)	-	-	806	524
As of December 31, 2019	$103,827	$49,796	$160,647	$83,872	$5,940	$232,918	$637,000
As of January 1, 2018	$103,805	$16,023	$137,169	$57,882	$5,940	$86,109	$406,928
Additions	-	-	32,824	-	-	69,945	102,769
Disposals	-	-	(34,804)	(3,360)	-	(7,139)	(45,303)
Transfers	-	-	(8,733)	-	-	(228)	(8,961)
Exchange differences	96	26	(354)	-	-	(2,831)	(3,063)
As of December 31, 2018	$103,901	$16,049	$126,102	$54,522	$5,940	$145,856	$452,370

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

	Trade marks	Patents	Software	IPs	Goodwill	Other	Total
Amortization and Impairment:							
As of January 1, 2019	$92,498	$9,063	$87,398	$41,985	$-	$65,024	$295,968
Amortization	5,742	3,408	28,342	10,761	-	59,013	107,266
Disposals	-	-	(20,358)	-	-	(27,304)	(47,662)
Exchange differences	(47)	(3)	(233)	-	-	37	(246)
As of December 31, 2019	$98,193	$12,468	$95,149	$52,746	$-	$96,770	$355,326
As of January 1, 2018	$88,714	$7,902	$95,877	$27,230	$-	$15,477	$235,200
Amortization	3,579	1,155	26,340	18,115	-	57,679	107,048
Disposals	-	-	(34,497)	(3,360)	-	(7,139)	(44,996)
Exchange differences	25	6	(322)	-	-	(993)	(1,284)
As of December 31, 2018	$92,498	$9,063	$87,398	$41,985	$-	$65,024	$295,968
Net carrying amount as of:							
December 31, 2019	$5,634	$37,328	$65,498	$31,126	$5,940	$136,148	$281,674
December 31, 2018	$11,403	$6,986	$38,704	$12,537	$5,940	$80,832	$156,402

Amortization expense of intangible assets:

	Years ended December 31,	
	2019	2018
Operating Cost	$35,282	$41,147
Selling expenses	12,676	6,872
General and administrative expense	16,300	23,834
Research and development expenses	43,008	35,195
Total	$107,266	$107,048

(12) Short-Term Borrowings

	December 31,	
	2019	2018
Unsecured bank loans	$8,521,341	$6,414,641
Interest rates (%)	0.86%~2.74%	0.93%~3.65%

The Group's unused short-term lines of credits amounted to NT$33,685,409 thousand and NT$30,877,601 thousand as of December 31, 2019 and 2018, respectively.

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

(13) Derivative Financial Liabilities

Financial liabilities at fair value through profit or loss :

	December 31, 2019	December 31, 2018
Derivatives not designated as hedging instruments - current		
Forward exchange contracts	$145,980	$21,115
Forward cross currency contracts	7,127	2,360
Total	$153,107	$23,475

Hedging financial liabilities:

	December 31, 2019	December 31, 2018
Forward exchange contracts	$-	$2,402

(14) Long-Term Borrowings

Details of long-term borrowings are as follows:

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

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

Lenders	December 31, 2018	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	$20,625	1.48%	Effective from October 27, 2017. Principle is repaid in 16 quarterly payments.
Secured long-term borrowings from First bank	430,833	1.38%	Effective from October 27, 2018. Principle is repaid in 12 quarterly payments.
Secured long-term borrowings from Lombard Co.	515	4.11%	Effective from July 8, 2015. Principle is repaid in 48 monthly payments.
Secured long-term borrowings from Lombard Co.	326	3.81%	Effective from January 5, 2017. Principle is repaid in 36 monthly payments.
Less: current portion	(165,004)		
Total	$287,295		

The Group's unused long-term lines of credits amounted to NT$1,216,567 thousand and NT$300,000 thousand as of December 31, 2019 and 2018, respectively.

(15) 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.

Pension expenses under the defined contribution plan for the years ended December 31, 2019 and 2018 were NT$378,616 thousand and NT$393,003 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$11,637 thousand to its defined benefit plan during the 12 months beginning after December 31, 2019.

The weighted average duration of the defined benefits plan obligation was 14.22 to 16.71 years and 13.73 to 17.43 years as of December 31, 2019 and 2018, respectively.

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

Pension costs recognized in profit or loss are as follows:

	Years ended December 31,	
	2019	2018
Current service costs	$788	$1,007
Net interest on the net defined benefit liabilities (assets)	7,716	9,486
Expect return on plan assets	(4,974)	(6,032)
Settlement profit	(5,158)	-
Total	$(1,628)	$4,461

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

	December 31,		January 1,
	2019	2018	2018
Present value of defined benefit obligation	$573,127	$545,893	$541,301
Plan assets at fair value	(388,839)	(363,846)	(366,031)
Net defined benefit Liabilities (assets)	$184,288	$182,047	$175,270
Other non-current liabilities —Carrying amount on the net defined benefit liabilities	$196,891	$192,723	$185,387
Other non-current assets —Carrying amount on the net defined benefit assets	$(12,603)	$(10,676)	$(10,117)

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

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
As of January 1, 2018	$541,301	$366,031	$175,270
Current service cost	1,007	-	1,007
Interest expense (revenue)	9,486	6,032	3,454
Subtotal	551,794	372,063	179,731
Remeasurements of the defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	14,282	-	14,282
Experience adjustments	9,761	8,717	1,044
Subtotal	24,043	8,717	15,326
Paid pension	(29,944)	(29,944)	-
Contributions by employer	-	12,964	(12,964)
Other	-	46	(46)
As of December 31, 2018	$545,893	$363,846	$182,047
As of January 1, 2019	$545,893	$363,846	$182,047
Current service cost	788	-	788
Interest expense (revenue)	7,716	4,974	2,742
Settlement profit or loss	(5,158)	-	(5,158)
Subtotal	549,239	368,820	180,419
Remeasurements of the defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	18,815	-	18,815
Experience adjustments	11,838	13,789	(1,951)
Subtotal	30,653	13,789	16,864
Paid pension	(6,765)	(5,921)	(844)
Contributions by employer	-	12,102	(12,102)
Other	-	49	(49)
As of December 31, 2019	$573,127	$388,839	$184,288

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

The principal assumptions used in determining the Group's defined benefit plan are as follows:

	December 31,	
	2019	2018
Discount rate	1.125%	1.125%-1.375%
Expected rate of salary increases	1.00%~4.00%	1.00%~4.00%

Sensitivity analysis of significant assumptions is as follows:

	Years ended December 31,			
	2019		2018	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.25%	$-	$18,789	$-	$19,030
Discount rate decrease by 0.25%	19,612	-	19,894	-
Future salary increase by 0.25%	18,718	-	19,060	-
Future salary decrease by 0.25%	-	16,107	-	18,349

The sensitivity analysis above is based on a change in one significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis 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 analysis compared to the previous period.

(16) Provisions

	Warranties
As of January 1, 2019	$826,791
Arising during the period (reversed)	164,850
Utilized during the period	(214,910)
Exchange differences	(9,381)
As of December 31, 2019	$767,350
Current	$767,350
Non-current	-
As of December 31, 2019	$767,350

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

	Warranties
As of January 1, 2018	$742,629
Arising during the period (reversed)	84,589
Utilized during the period	(191,834)
Exchange differences	(8,593)
As of December 31, 2018	$826,791

Current	$826,791
Non-current	-
As of December 31, 2018	$826,791

Warranties

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

(17) Equities

A. Common stock

CORE's authorized capital was NT$10,000,000 thousand as of December 31, 2019 and 2018, respectively (including NT$700,000 thousand reserved for exercise of share warrant, preferred shares with warrants and corporate bonds with warrants), each at a par value of NT$10. CORE's issued capital was NT$4,344,231 thousand divided into 434,423 thousand shares. Each share has one voting right and a right to receive dividends.

B. Capital surplus

	December 31,	
	2019	2018
Additional paid-in capital	$2,917,366	$3,569,001
Treasury stock transactions	116,614	116,614
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	594,554	297,948
Changes in ownership interests in subsidiaries	98,791	89,245
Changes from investments in associates and joint ventures accounted for using the equity method	150	-
Total	$3,727,475	$4,072,808

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

C. Retained earnings and dividend policies:

According to the Articles of Incorporation, current year's earnings shall be distributed in the following order:

(a)Payment of all taxes and dues;

(b)Offset accumulated losses in previous years, if any;

(c)Legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds CORE's total capital stock;

(d)Allocation or reverse of special reserve as required by law or government authorities;

(e)The remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividend. The Board of Directors will prepare a distribution proposal and submit the same to the shareholders' meeting for review and approval by a resolution.

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

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

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

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

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

The special reserve of the first adoption of the TIFRS was reversed to unappropriated retained earnings because of the disposal of related assets for the year ended December 31, 2019.
The details are as follows:

	Years ended December 31,	
	2019	2018
Beginning balance	$1,290,820	$1,290,820
Disposal of subsidiaries	(14,210)	-
Ending balance	$1,276,610	$1,290,820

Details of the 2018 and 2017 earning distribution and dividends per share as resolved by sharehloders' meeting on June 13, 2019 and June 14, 2018 are as follows :

	Appropriation of earnings		Dividends per share (NT$)	
	2018	2017	2018	2017
Legal reserve	$202,021	$175,063		
Special reserve	-	521,197		
Common stock -cash dividend	868,846	1,086,058	$2	$2.5

In addition, shareholders' meeting resolved to distribute the paid-in capital in excess of par-common stock by cash in the amount of NT$651,635 thousand, NT$1.5 per share and NT$217,211 thousand, NT$0.5 per share in 2019 and 2018, respectively.

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

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

D. Non-controlling interests:

	Years ended December 31,	
	2019	2018
Beginning balance	$2,060,440	$2,014,560
Profit attributable to non-controlling interests	5,237	107,965
Other comprehensive income (loss) attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	(39,379)	12,459
Effect of tax rate changes on defined benefit plans	-	(185)
Remeasurements of defined benefit plans	(534)	(539)
Unrealized gain from financial assets at fair value through other comprehensive income	-	280
Cash dividends	(36,063)	(50,438)
Acquisition or disposal of the interest of subsidiaries	154,208	(23,662)
Changes in subsidiaries' ownership	25,456	-
Ending balance	$2,169,365	$2,060,440

(18) Operating Income

	Years ended December 31,	
	2019	2018
Contract revenue from customers		
Sale of goods	$47,252,436	$54,094,798
Revenue arising from rendering of services	1,042,656	964,157
Other operating revenues	416,167	613,978
Total	$48,711,259	$55,672,933

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

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

A.Revenue of Segments

For the year ended December 31, 2019

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	$23,181,622	$17,096,491	$4,671,516	$3,678,018	$(1,375,211)	$47,252,436
Revenue arising from rendering of services	888,822	72,471	24,294	217,950	(160,881)	1,042,656
Other operating revenues	115,215	156,536	124,091	22,140	(1,815)	416,167
Total	$24,185,659	$17,325,498	$4,819,901	$3,918,108	$(1,537,907)	$48,711,259
The timing of revenue recognition:						
At a point in time	$24,185,659	$17,325,498	$4,819,901	$3,918,108	$(1,537,907)	$48,711,259

For the year ended December 31, 2018

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	$24,195,684	$21,464,438	$6,100,579	$4,206,208	$(1,872,111)	$54,094,798
Revenue arising from rendering of services	796,909	52,831	19,985	131,725	(37,293)	964,157
Other operating revenues	186,713	253,274	141,681	35,823	(3,513)	613,978
Total	$25,179,306	$21,770,543	$6,262,245	$4,373,756	$(1,912,917)	$55,672,933
The timing of revenue recognition:						
At a point in time	$25,179,306	$21,770,543	$6,262,245	$4,373,756	$(1,912,917)	$55,672,933

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

B.Contract balance

Contract liabilities-current

	December 31,		January 1,
	2019	2018	2018
Sale of goods	$196,044	$241,829	$263,047
Revenue arising from rendering of services	904	675	434
Other operating revenues	97,204	111,024	124,941
Total	$294,152	$353,528	$388,422

Contract liabilities significantly decreased as additional performance obligations have not been satisfied, NT$353,528 thousand and NT$388,422 thousand included in the contract liability at the beginning of the period was recognized as revenue during the years ended December 31, 2019 and 2018, respectively.

C. Transaction price allocated to unsatisfied performance obligations

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

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

None.

(19) Expected credit (gain) losses

	Years ended December 31,	
	2019	2018
Operating expenses – Expected credit (gain) losses		
Trade receivables	$(80,347)	$60,772

The Group measures trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of December 31, 2019 and 2018 is as follows:

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

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

As of December 31, 2019

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

As of December 31, 2018

	Neither past due (Note)	Past due: 1 to 30 days	Past due: 31 to 60 days	Past due: 61 to 90 days	Past due: 91 to 120 days	Past due: More than 121 days	Total
Gross carrying amount	$12,113,859	$1,390,646	$143,266	$9,572	$5,364	$136,424	$13,799,131
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	(44,537)	(711)	(5,507)	(1,710)	(1,834)	(127,401)	(181,700)
Subtotal	$12,069,322	$1,389,935	$137,759	$7,862	$3,530	$9,023	$13,617,431

Note: The Group recognized expected losses in amount of NT$44,537 thousand based on assessing certain accounts with significant credit risks.

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

	Trade receivables
As of January 1, 2019 (IFRS 9)	$181,700
Reversal for the current period	(80,347)
Write off	(57,178)
Exchange differences	(2,868)
As of December 31, 2019	$41,307

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

	Trade receivables
As of January 1, 2018 (IAS 39)	$129,607
Beginning adjusted retained earnings	-
As of January 1, 2018 (IFRS 9)	129,607
Charge for the current period	60,772
Write off	(6,419)
Exchange differences	(2,260)
As of December 31, 2018	$181,700

(20) Leases

A. Group as lessee (after the application of IFRS 16)

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

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

(a) Amounts recognized in the balance sheet

i. Right-of-use asset

The carrying amount of right-of-use assets

	December 31,	
	2019	2018 (Note)
Land	$1,327,891	
Buildings	606,821	
Machinery and equipment	233	
Transportation equipment	41,340	
Office fixtures	604	
Other equipment	167	
Total	$1,977,056	

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

During the year ended December 31, 2019, the additions to right-of-use assets of the Group amounted to NT$299,756 thousand.

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

ii.Lease liability

	December 31,	
	2019	2018 (Note)
Lease liability		
Current	$335,921	
Non-current	1,439,424	
Total	$1,775,345	

Please refer to Note 6(22)C. for the interest on lease liability recognized during the year ended December 31, 2019 and refer to Note 12(5) for the maturity analysis for lease liabilities on December 31, 2019.

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

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

Depreciation charge for right-of-use assets

	Years ended December 31,	
	2019	2018(Note)
Land	$44,246	
Buildings	268,041	
Machinery and equipment	243	
Transportation equipment	21,461	
Office fixtures	246	
Other equipment	83	
Total	$334,320	

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

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

(c)Income and costs relating to leasing activities

	Years ended December 31,	
	2019	2018(Note)
The expense relating to short-term leases	$51,839	
The expense relating to leases of low-value assets (Not including the expense relating to short-term leases of low-value assets)	7,463	
The expense relating to variable lease payments not included in the measurement of lease liabilities	23,229	
Total	$82,531	

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(d)Cash outflow relating to leasing activities

During the years periods ended December 31, 2019, the Group's total cash outflow for leases amounted to NT$442,035 thousand.

(e)Other information relating to leasing activities

i. Variable lease payments

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

ii. Extension and termination options

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

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

iii. Residual value guarantees

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

B. Operating lease commitments - Group as lessee (applicable to the disclosure of IAS 17)

The Group's land for its Science Park plant is leased from the Science Industry Park Bureau, and as follows:

Location	Current annual rent (Note)	Lease period
Hsinchu Science Industrial Park	$7,103	2017.07.01-2036.12.31
Jhunan Science Park	3,916	2001.07.01-2020.12.31
Tainan Science Industrial Park	8,951	2003.11.01-2022.12.31

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

	December 31, 2019 (Note)	December 31, 2018
Not later than one year		$85,800
Later than one year but not later than five years		256,255
Later than five years		230,835
Total		$572,890

Operating lease expense as follows:

	Years ended December 31,	
	2019 (Note)	2018
Minimum lease payments		$353,884

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

C. The Group as lessor (applicable to the disclosure requirement in IFRS 16)

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

None of the financing lease contracts were signed.

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

	Years ended December 31,	
	2019	2018 (Note)
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$36,856	
Income relating to variable lease payments that do not depend on an index or a rate	-	
Total	$36,856	

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

Please refer to Note 6(10) for relevant disclosure of investment properties for operating leases which required by IFRS 16. For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining periods as on December 31, 2019 are as follow:

	December 31,	
	2019	2018 (Note)
Not later than one year	$28,358	
Later than one year but not later than two years	8,164	
Later than two years but not later than three years	492	
Later than three years but not later than four years	-	
Total	$37,014	

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

D.Operating lease commitments - Group as lessor (applicable to the disclosure of IAS 17)

The Group has entered into a commercial property leases with remaining terms of no more than four 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 of December 31, 2019 and 2018, are as follows:

	December 31,	
	2019 (Note)	2018
Not later than one year		$28,178
Later than one year but not later than five years		35,899
Total		$64,077

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

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

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

	Years ended December 31					
	2019			2018		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	$3,453,868	$4,887,105	$8,340,973	$3,683,059	$5,001,852	$8,684,911
Salaries	2,889,546	4,209,692	7,099,238	3,124,642	4,351,725	7,476,367
Labor and health insurance	130,571	319,652	450,223	138,331	306,557	444,888
Pension	179,245	197,743	376,988	204,795	192,669	397,464
Other employee benefits expense	254,506	160,018	414,524	215,291	150,901	366,192
Depreciation	933,236	376,397	1,309,633	755,886	234,835	990,721
Amortization	36,020	72,243	108,263	36,021	76,705	112,726

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

CORE accrued employees' compensation based on a specific rate of profit for the years ended December 31, 2019 and 2018. The amounts of employees' compensation was NT$175,700 thousand and NT$290,398 thousand for the years ended December 31, 2019 and 2018, respectively. If the Board of Directors resolved to distribute employees' compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price one day earlier than the date of resolution. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, CORE will recognize the change as an adjustment to next year income.

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

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

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

(22) Non-Operating Income and Expenses

A. Other income

	Years ended December 31	
	2019	2018
Interest income		
Financial assets measured at amortized cost	$466,602	$404,389
Rental income	36,856	24,851
Cash dividends	-	7,712
Other	195,129	161,921
Total	$698,587	$598,873

B. Other gains and losses

	Years ended December 31	
	2019	2018
Gain (loss) on disposal of property, plant and equipment	$7,971	$(7,695)
Foreign exchange gain (loss), net	218,105	(78,986)
Gain (loss) on financial assets at fair value through profit or loss (Note)	(17,962)	383,018
Gain on lease modification	212	-
Loss on disposal of investments	(24,564)	(5,157)
Impairment losses	-	(40,104)
Other loss	(34,687)	(39,247)
Total	$149,075	$211,829

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

C. Finance cost

	Years ended December 31	
	2019	2018
Interest on borrowings from bank	$287,433	$244,994
Interest on lease liabilities	60,203	(Note)
Interest on obligations under finance leases	(Note)	6
Total	$347,636	$245,000

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

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

(23) Components of Other Comprehensive Income

For the year ended December 31, 2019

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Remeasurements of defined benefit plans	$(16,864)	$3,373	$(13,491)
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	89,230	(712)	88,518
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(876,580)	-	(876,580)
Gains from hedging instruments	913	(182)	731
Total of other comprehensive income	$(803,301)	$2,479	$(800,822)

For the years ended December 31, 2018

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Remeasurements of defined benefit plans	$(15,326)	$4,520	$(10,806)
Unrealized losses from equity instruments investments measured at fair value through other comprehensive income	(65,698)	285	(65,413)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(287,075)	-	(287,075)
Gains from hedging instruments	7,823	(3,939)	3,884
Total of other comprehensive income	$(360,276)	$866	$(359,410)

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

(24) Income Tax

Based on the amendments to the Income Tax Act announced on February 7, 2018, CORE's applicable corporate income tax rate for 2018 has changed from 17% to 20%. The corporate income surtax on undistributed retained earnings has changed from 10% to 5%.

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

Income tax expense (income) recognized in profit or loss

	Years ends December 31	
	2019	2018
Current income tax expense (income)	$551,933	$800,570
Deferred tax expense (income)	(8,328)	(61,433)
Total income tax expense	$543,605	$739,137

Income tax relating to components of other comprehensive income

	Years ended December 31	
	2019	2018
Deferred income tax income (expense):		
Gains on hedging instruments	$(182)	$(3,939)
Remeasurements of defined benefit plans	3,373	4,520
Unrealized (gain) loss from equity instruments investments measured at fair value through other comprehensive income	(712)	285
Total	$2,479	$866

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

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

	Years ended December 31,	
	2019	2018
Accounting profit before tax from continuing operations	$1,701,912	$2,867,321
Tax at the domestic rates applicable to profits in the country concerned	$699,287	$1,222,318
Tax effect of expenses not deductible for tax purposes	(173,314)	(434,296)
Tax effect of deferred tax assets/liabilities	(42,434)	29,726
Surtax on undistributed retained earnings	60,383	4,487
Operating loss carry forward	32,098	(23,519)
Investment tax credits	(32,415)	(30,134)
Other	-	2,627
Impact of change in tax rate	-	(32,072)
Total income tax expense recognized in profit or loss	$543,605	$739,137

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

Deferred tax assets (liabilities) related to the following:

For the year ended December 31, 2019

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	$35,914	$14,687	$-	$(378)	$50,223
Depreciation difference for tax purpose	562	108	-	(128)	542
Unrealized intragroup profits and losses	69,962	(11,401)	-	(2)	58,559
Net unrealized exchange gains or losses	1,901	10,287	-	(11)	12,177
Provisions - maintenance warranties	27,263	(884)	-	(335)	26,044
Provision-sales returns and allowances	41,381	(15,319)	-	(131)	25,931
Impairment on property, plant and equipment	6,241	-	-	-	6,241
Defined benefit liabilities-noncurrent	33,862	(4,209)	3,373	2	33,028
Investments accounted for using the equity method	(17,411)	22	-	-	(17,389)
Accrued expense of tax differences	50,163	2,058	-	(310)	51,911
Allowance for bad debts	1,569	1,059	-	(64)	2,564
Cash flow hedges	182	-	(182)	-	-
Others	(3,505)	3,035	(712)	(46)	(1,228)
Unused tax losses	8,536	-	-	-	8,536
Foreign unused tax losses	13,307	8,674	-	(613)	21,368
Deferred tax (expense) income		$8,117	$2,479	$(2,016)	
Net deferred tax assets (liabilities)	$269,927				$278,507
Reflected in balance sheet as follows:					
Deferred tax assets	$302,673				$303,144
Deferred tax liabilities	$(32,746)				$(24,637)

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

For the year ended December 31, 2018

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	$33,891	$1,653	$-	$370	$35,914
Depreciation difference for tax purpose	(1,569)	1,962	-	169	562
Unrealized intragroup profits and losses	48,005	21,975	-	(18)	69,962
Net unrealized exchange gains or losses	5,918	(4,058)	-	41	1,901
Provisions - maintenance warranties	27,253	(440)	-	450	27,263
Provision-sales returns and allowances	26,871	14,337	-	173	41,381
Impairment on property, plant and equipment	4,614	1,627	-	-	6,241
Defined benefit liabilities-noncurrent	29,420	(75)	4,520	(3)	33,862
Investments accounted for using the equity method	(23,803)	6,392	-	-	(17,411)
Accrued expense of tax differences	41,148	8,910	-	105	50,163
Allowance for bad debts	328	1,184	-	57	1,569
Cash flow hedges	4,121	-	(3,939)	-	182
Others	(18,820)	12,815	285	2,215	(3,505)
Unused tax losses	12,760	(4,224)	-	-	8,536
Foreign unused tax losses	13,600	(698)	-	405	13,307
Deferred tax (expense) income		$61,360	$866	$3,964	
Net deferred tax assets (liabilities)	$203,737				$269,927
Reflected in balance sheet as follows:					
Deferred tax assets	$237,983				$302,673
Deferred tax liabilities	$(34,246)				$(32,746)

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

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

December 31, 2019

Accumulated loss	Unutilized accumulated loss	Expiration Year
$12,925	$10,327	2020
19,035	19,035	2021
187,854	18,929	2022
4,114	4,114	2023
1,443	1,443	2024
136,328	1,125	2025
289,722	97,893	2026
63,833	38,259	2027
69,752	69,752	2028
120,069	120,069	2029(Expected)
$905,075	$380,946	

December 31, 2018

Accumulated loss	Unutilized accumulated loss	Expiration Year
$44,478	$44,478	2019
12,925	10,327	2020
19,035	19,035	2021
187,854	18,929	2022
4,114	4,114	2023
1,443	1,443	2024
135,421	1,125	2025
270,475	190,079	2026
36,582	13,933	2027
24,656	24,656	2028(Expected)
$736,983	$328,119	

Unrecognized deferred tax assets

As of December 31, 2019 and 2018, deferred tax assets that have not been recognized amount to NT$213,242 thousand and NT$489,279 thousand, respectively.

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

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Group did not recognize deferred tax liabilities associated with tax payable for unremitted earnings of the Group's overseas subsidiaries, as the Group has determined that not all distributed profits of its subsidiaries will be distributed in the foreseeable future. As of December 31, 2019 and 2018, the amount of taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities were NT$18,800,991 thousand and NT$17,557,678 thousand, respectively.

Unappropriated retained earnings:

	December 31,	
	2019	2018
Earnings generated in and before 1997	$43,393	$43,393
Earnings generated in and after 1998	9,385,865	9,302,409
Total	$9,429,258	$9,345,802

The assessment of income tax returns

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

(25) Earnings Per Share

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

	Years ended December 31	
	2019	2018
A. Basic earnings per share		
Profit attributable to ordinary shareholders of the parent (in thousand NT$)	$1,153,070	$2,020,219
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	434,423	434,423
Basic earnings per share (NT$)	$2.65	$4.65
B. Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT$)	$1,153,070	$2,020,219
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	434,423	434,423
Effect of dilution:		
Employee Bonus—stock (in thousand)	5,944	8,992
Weighted average number of ordinary shares outstanding after dilution (in thousand)	440,367	443,415
Diluted earnings per share (NT$)	$2.62	$4.56

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

(26) Subsidiaries that have Material Non-Controlling Interests

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

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

Percentage of equity interest held by non-controlling interests:

Subsidiary	Country of incorporation and operation	December 31, 2019	December 31, 2018
Young Optics Inc.	Taiwan	60.23%	55.89%

	December 31, 2019	December 31, 2018
Accumulated balance of material non-controlling interests		
Young Optics, Inc.	$2,059,303	$1,977,334

	Years ended December 31 2019	Years ended December 31 2018
Profit allocated to material non-controlling interest		
Young Optics, Inc.	$2,799	$99,475

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

Summarized information of profit or loss for the years ended December 31, 2019:

	Young Optics Inc.
Operating revenue	$4,819,901
Gain for the period from continuing operations	5,359
Total comprehensive income for the period	(61,323)

Summarized information of profit or loss for the years ended December 31, 2018:

	Young Optics Inc.
Operating revenue	$6,262,245
Gain for the period from continuing operations	180,159
Total comprehensive income for the period	154,095

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

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

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

Summarized information of financial position as of December 31, 2018:

	Young Optics Inc.
Current assets	$3,224,346
Non-current assets	2,477,139
Current liabilities	(1,858,724)
Non-current liabilities	(311,591)

Summarized cash flow information for the years ended December 31, 2019:

	Young Optics Inc.
Operating activities	$545,240
Investing activities	(499,151)
Financing activities	(23,338)
Net increase in cash and cash equivalents	(20,313)

Summarized cash flow information for the years ended December 31, 2018:

	Young Optics Inc.
Operating activities	$107,621
Investing activities	(409,437)
Financing activities	79,772
Net decrease in cash and cash equivalents	(251,342)

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

7. Related Party Transactions

(1) Related Party Name and Categories

Related Party Name	Related Party Categories
Gunze Limited ("Gunze")	Joint Venture
DongGuan Guan Zhi Electronics Ltd. ("DongGuan Guan Zhi")	Associate of Joint Venture
Etergo Opto-Electronics Co., LTD ("EOE")	Associate
Chi Hua Fitness Co., LTD. ("CHI HUA")	Substantive related party

(2) Significant transactions with related parties

A. Sales

	Years ended December 31	
	2019	2018
DongGuan Guan Zhi	$10,870	$15,202
CHI HUA	384	-
Total	$11,254	$15,202

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.

B. Purchases

	Years ended December 31	
	2019	2018
Gunze	$189,432	$229,499
EOE	27,072	-
DongGuan Guan Zhi	202	1,151
Total	$216,706	$230,650

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.

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

C. Accounts Receivable from Related Parties

	December 31,	
	2019	2018
DongGuan Guan Zhi	$201	$1,912

D. Accounts Payable to Related Parties

	December 31,	
	2019	2018
Gunze	$14,386	$40,356
EOE	9,041	-
DongGuan Guan Zhi	18	66
Total	$23,445	$40,422

E. Other Payable to Related Parties

	December 31,	
	2019	2018
EOE	$8,378	$-

F. Others

For years ended December 31, 2019, the Group purchased molds from EOE amounted to NT$18,213 thousand.

G. Key Management Personnel Compensation

	Years ended December 31	
	2019	2018
Short-term employee benefits	$259,246	$268,459
Post-employment benefits	6,158	6,168
Total	$265,404	$274,627

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

8. Assets Pledged As Collateral

The following assets of the Group pledged as collateral:

	Carrying amount		
Assets pledged as collateral	December 31, 2019	December 31, 2018	Purpose of pledge
Land	$13,249	$13,086	Collateral for long-term borrowings
Buildings (including investment property)	879,427	765,918	Collateral for long-term borrowings
Time deposits (shown as "Other receivables")	30,170	22,511	Lease execution deposits
Time deposits (shown as "Other receivables")	2,066	33,825	Customs import guarantee
Bank deposits (shown as "Other receivables")	8,994	59,215	Derivative execution deposits
Bank deposits (shown as "Other receivables")	851	2,027	Export tax guarantee
Time deposits (shown as "Other receivables")	-	1,472	Subsidy performance guarantee
Time deposits (shown as "Other noncurrent assets")	20,773	20,769	Lease execution deposits
Time deposits (shown as "Other noncurrent assets")	1,075	1,066	Customs import guarantee
Total	$956,605	$919,889	

9. Commitments and Contingencies

Amounts available under unused letters of credit as of December 31, 2019 are NT$19,587 thousand.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

None.

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

12. Others

(1) Categories of Financial Instruments

Financial assets	December 31, 2019	December 31, 2018
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$119,733	$83,315
Financial assets at fair value through other comprehensive income	447,469	359,859
Financial assets measured at amortized cost (Note A)	32,139,214	31,348,949
Hedging financial assets	4,207	11,613
Total	$32,710,623	$31,803,736

Financial liabilities	December 31, 2019	December 31, 2018
Financial liabilities at amortized cost:		
Short-term borrowings	$8,521,341	$6,414,641
Accounts payables (including related parties)	8,465,142	9,312,548
Other payables	4,092,358	4,627,935
Lease liability (including current and noncurrent)	1,775,345	(Note b)
Long-term borrowings (including current portion)	183,433	452,299
Subtotal	23,037,619	20,807,423
Financial liabilities at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss-current	153,107	23,475
Hedging financial liabilities-current	-	2,402
Total	$23,190,726	$20,833,300

Note:

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

B. The Group adopted IFRS16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS16.

(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, 2019 and 2018 is decreased/increased by NT$90,064 thousand and NT$75,967 thousand, while equity is decreased/increased by NT$241,473 thousand and NT$245,572 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, 2019 and 2018 to decreased/increased by NT$76,133 thousand and NT$61,346 thousand, respectively.

Equity price risk

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

For the years ended December 31, 2019 and 2018, an increase/decrease of 1% in the price of the listed equity securities classified as equity instrument at fair value through profit or loss could have an impact of NT$354 thousand and NT$201 thousand on income attributable to the Group.

For the years ended December 31, 2019 and 2018, an increase/decrease of 1% in the price of the listed equity securities classified as equity instrument at fair value through other comprehensive income could have an impact of NT$4,475 thousand and NT$3,599 thousand on the equity attributable to the Group.

(4) Credit Risk Management

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

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

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, 2019 and 2018, receivables from top ten customers represented 58% and 59% 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 liabilities

	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
As of December 31, 2019					
Borrowings	$8,540,858	$115,050	$72,363	$-	$8,728,271
Accounts payables (including related parties)	8,465,142	-	-	-	8,465,142
Other payables	4,092,358	-	-	-	4,092,358
Lease liability	353,002	350,621	204,781	1,308,061	2,216,465
As of December 31, 2018					
Borrowings	$6,599,493	$290,838	$-	$-	$6,890,331
Accounts payables (including related parties)	9,312,548	-	-	-	9,312,548
Other payables	4,627,935	-	-	-	4,627,935

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

Derivative financial liabilities

	Less than 1 year	1 to 3 years	Total
As of December 31, 2019			
Inflows	$-	$-	$-
Outflows	153,107	-	153,107
Net	$153,107	$-	$153,107
As of December 31, 2018			
Inflows	$-	$-	$-
Outflows	25,877	-	25,877
Net	$25,877	$-	$25,877

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

(6) Reconciliation of Liabilities Arising from Financing Activities:

Reconciliation of liabilities for the year ended December 31, 2019:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Guarantee deposits received	Other liabilities-noncurrent	Total liabilities from financing activities
As of January 1, 2019	$6,414,641	$452,299	$1,812,953	$38,069	$24,702	$8,742,664
Cash flows	2,106,700	(268,866)	(299,301)	(1,611)	(7,430)	1,529,492
Additional leases	-	-	285,195	-	-	285,195
Exchange differences	-	-	(23,502)	-	-	(23,502)
As of December 31, 2019	$8,521,341	$183,433	$1,775,345	$36,458	$17,272	$10,533,849

Reconciliation of liabilities for the year ended December 31, 2018:

	Short-term borrowings	Long-term borrowings	Guarantee deposits received	Other liabilities-noncurrent	Total liabilities from financing activities
As of January 1, 2018	$8,176,659	$508,275	$20,529	$25,495	$8,730,958
Cash flows	(1,762,018)	(55,976)	17,540	(620)	(1,801,074)
As of December 31, 2018	$6,414,641	$452,299	$38,069	$24,875	$6,929,884

(7) Fair Value of Financial Instruments

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

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

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

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

(c)The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model or other valuation method.

(d)The fair value of long-term borrowings without active market is determined by using valuation techniques. Therefore, the fair value is estimated using the present value of the expected cash flows. The assumption of interest rate and discount rate mainly is measured by similar financial instruments.

B. Fair value of financial instruments measured at amortized cost

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

C. Fair value measurement hierarchy for financial instruments

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

(8) Derivative Instruments

The related information for derivative financial instruments not yet settled as follows:

Forward currency contracts and cross currency contracts

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

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

Item (by contract)	Notional Amount	Contract Period
As of December 31, 2019		
Forward currency contract		
Selling forward currency contracts	USD 401,000 thousand	From January 2020 to September 2020
Buying forward currency contracts	USD 452,000 thousand	From January 2020 to February 2020
Selling forward currency contracts	CAD 2,100 thousand	From January 2020 to May 2020
Forward cross currency contract	USD 30,500 thousand	From January 2020 to February 2020
As of December 31, 2018		
Forward currency contract		
Selling forward currency contracts	USD 322,000 thousand	From January 2019 to April 2019
Buying forward currency contracts	USD 360,500 thousand	From January 2019 to April 2019
Selling forward currency contracts	EUR 15,500 thousand	From January 2019 to February 2019
Selling forward currency contracts	CAD 2,500 thousand	From January 2019 to April 2019
Forward cross currency contract	USD 30,500 thousand	From January 2019 to March 2019

Hedging forward currency contracts

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

Item (by contract)	Notional Amount	Contract Period
As of December 31, 2019		
Forward currency contract		
Selling forward currency contracts	GBP 5,500 thousand	January 2020
As of December 31, 2018		
Forward currency contract		
Selling forward currency contracts	USD 20,000 thousand	February 2019
Buying forward currency contracts	USD 20,000 thousand	February 2019
Selling forward currency contracts	GBP 5,500 thousand	January 2019

(9) Fair Value Measurement Hierarchy

A. Fair value measurement hierarchy

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

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

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:

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	$-	$83,296	$-	$83,296
Forward cross currency contract	-	1,025	-	1,025
Stock	-	-	35,412	35,412
Hedging financial assets-current	-	4,207	-	4,207
Equity instrument measured at fair value through other comprehensive income	-	-	447,469	447,469
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	145,980	-	145,980
Forward cross currency contract	-	7,127	-	7,127

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

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	$-	$63,143	$-	$63,143
Forward cross currency contract	-	107	-	107
Stock	-	-	20,065	20,065
Hedging financial assets-current	-	11,613	-	11,613
Equity instrument measured at fair value through other comprehensive income	-	-	359,859	359,859
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	21,115	-	21,115
Forward cross currency contract	-	2,360	-	2,360
Hedging financial liabilities-current	-	2,402	-	2,402

Transfers between the Level 1 and Level 2 during the period

During the years ended December 31, 2019 and 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

Change in reconciliation for fair value measurements in Level 3

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

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

	Assets		
	At fair value through profit or loss	At fair value through other comprehensive income	
	Stock and convertible bonds	Stock	Total
As of January 1, 2019:	$20,065	$359,859	$379,924
Total gains and losses recognized for the years ended December 31, 2019:			
Amount recognized in profit or loss (presented in "other profit or loss")	(68)	-	(68)
Amount recognized in OCI (presented in "unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income")	-	88,518	88,518
Acquisition	15,415	-	15,415
Tax effect	-	712	712
Exchange differences	-	(1,620)	(1,620)
As of December 31, 2019	$35,412	$447,469	$482,881

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

	Assets		
	At fair value through profit or loss	At fair value through other comprehensive income	
	Stock	Stock	Total
As of January 1, 2018:	$21,001	$422,757	$443,758
Total gains and losses recognized for the years ended December 31, 2018:			
Amount recognized in profit or loss (presented in "other profit or loss")	(936)	-	(936)
Amount recognized in OCI (presented in "unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income")	-	(65,413)	(65,413)
Tax effect	-	(285)	(285)
Exchange differences	-	2,800	2,800
As of December 31, 2018	$20,065	$359,859	$379,924

Total gains and losses recognized in profit or loss for the years ended December 31, 2019 and 2018 in the amount of NT$(68) thousand and NT$(936) thousand, respectively.

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

Information on significant unobservable inputs to valuation

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

As of December 31, 2019

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

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

As of December 31, 2018

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets：					
At fair value through profit or loss					
Stock	Income Approach	Lack of marketability	27.2%	The higher the discount for lack of marketability, the lower the fair value estimated.	10% increase (decrease) in the discount for lack of marketability would result in decrease / increase in profit or loss by NT$734 thousand /NT$735 thousand.
Financial assets at fair value through other comprehensive income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar entities	1.03	The higher the P/E ratio of similar entities, the higher the fair value estimated.	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT$1,842 thousand/ NT$3,772 thousand.

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

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

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

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

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

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(10))	$-	$-	$222,400	$222,400

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

(10) Significant Assets and Liabilities Denominated in Foreign Currencies

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

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

	December 31, 2018		
	Foreign currencies	Exchange rate	NTD thousand
Financial assets			
Monetary item:			
USD	$876,864	30.715	$26,932,878
JPY	160,598	0.2782	44,678
RMB	3,822	4.4753	17,105
GBP	112	38.88	4,354
EUR	355	35.2	12,496
Non-Monetary items:			
USD	$2,200	30.715	$67,573
Financial liabilities			
Monetary items:			
USD	$629,534	30.715	$19,336,137
JPY	97,179	0.2782	27,035
GBP	2,149	38.88	83,551

The Group's entities functional currency are various, and hence is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange gain (loss) was NT$218,105 thousand and NT$(78,986) thousand for the years ended December 31, 2019 and 2018, respectively.

(11) Capital Management

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

13. Additional Disclosures

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

A. Financing provided to others for the years ended December 31, 2019: None.

B. Endorsement/Guarantee provided to others for the years ended December 31, 2019: Please refer to Attachment 1.

C. Securities held as of years ended December 31, 2019 (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 years ended December 31, 2019: 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 years ended December 31, 2019: Please refer to Attachment 3.

F. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the years ended December 31, 2019: 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 years ended December 31, 2019: Please refer to Attachment 4.

H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of years ended December 31, 2019: Please refer to Attachment 5.

I. The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 6.

J. Financial instruments and derivative transactions: Please refer to Note 6(2), Note 6(3), Note 6(13), Note 12(1), Note 12(8) and Attachment 9.

(2) Information on Investees

A. Relevant information on investees when the investees have significant influence or direct or indirect control. Please refer to Attachments 7, 7-1, 7-2, and 7-3.

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, 4-1, 5-1 and 10.

C. Financial instruments and derivative transactions: Please refer to Attachment 9.

(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 8, 8-1 and 8-2.

B. Directly or indirectly significant transactions with the investees in Mainland China, please refer to Attachment 6.

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 design, manufacturing and marketing of backlighting, panel modules, medical displays and energy-efficient lighting equipment.

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

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

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

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

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 years ended December 31, 2019						
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue							
Net revenue from external customers	$23,968,822	$17,289,447	$4,426,742	$45,685,011	$3,026,248	$-	$48,711,259
Net revenue from sales among intersegments	216,837	36,051	393,159	646,047	891,860	(1,537,907)	-
Total revenue	$24,185,659	$17,325,498	$4,819,901	$46,331,058	$3,918,108	$(1,537,907)	$48,711,259
Segment income	$1,142,773	$658,533	$5,149	$1,806,455	$79,927	$(184,470)	$1,701,912
Segment Assets (Note C)	$-	$-	$-	$-	$-	$49,323,120	$49,323,120

	For the years ended December 31, 2018						
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue							
Net revenue from external customers	$24,793,483	$21,674,154	$5,662,082	$52,129,719	$3,543,214	$-	$55,672,933
Net revenue from sales among intersegments	385,823	96,389	600,163	1,082,375	830,542	(1,912,917)	-
Total revenue	$25,179,306	$21,770,543	$6,262,245	$53,212,094	$4,373,756	$(1,912,917)	$55,672,933
Segment income	$1,129,119	$1,671,744	$193,164	$2,994,027	$60,396	$(187,102)	$2,867,321
Segment Assets (Note C)	$-	$-	$-	$-	$-	$48,037,205	$48,037,205

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

Note A: Eight operating segments did not meet the quantitative thresholds for reportable segments for the years ended December 31, 2019 and 2018, respectively. They have been combined into other segments.

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

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

	Years ended December 31	
	2019	2018
Net income of reportable segment	$1,806,455	$2,994,027
Income of other segment	79,927	60,396
Unallocated amount:		
Interest income	466,602	404,389
Interest expense	(347,636)	(245,000)
Financial assets (liabilities) at fair value through profit or loss	(17,962)	383,018
Exchange loss	218,105	(78,986)
Others	(503,579)	(650,523)
Income before income tax	$1,701,912	$2,867,321

(3) Geographical information

A. Sales to other than consolidated entities

	Years ended December 31,	
	2019	2018
Mainland China (including Hong Kong)	$24,261,200	$24,413,940
Taiwan	9,775,792	11,700,488
Japan	4,300,525	3,773,502
United Kingdom	3,796,642	4,480,226
United States	3,717,171	5,320,428
South Korea	414,368	478,067
Malaysia	220,347	1,753,638
Switzerland	48,474	1,497,367
Others	2,176,740	2,255,277
Total	$48,711,259	$55,672,933

Sales are presented by customers' country.

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

B. Non-current assets

	December 31,	
	2019	2018
Taiwan	$5,009,804	$3,398,251
Mainland China (including Hong Kong)	3,503,979	3,272,912
Bangladesh	487,122	347,537
Europe	239,796	129,081
United States	139,219	59,875
Total	$9,379,920	$7,207,656

(4) Major customers information

2019 and 2018 for a single customer sales accounted for more than 10% of net sales are listed below:None.

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the years ended December 31, 2019)
(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	Coretronic Intelligent Cloud Service Corp.	Subsidiary	10,700,458 (Note)	$ 1,775	$ -	$ -	-	0.00%	$21,400,917 (Note)	Yes	No	No
0	Coretronic Corporation	Nano Precision Taiwan Limited	Associate	10,700,458 (Note)	300,000	300,000	111,074	-	1.40%	21,400,917 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Subsidiary	10,700,458 (Note)	272,250	272,250	12,250	-	1.27%	21,400,917 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Display (Suzhou)	Associate	10,700,458 (Note)	195,241 (RMB45,000 thousands)	193,387 (RMB45,000 thousands)	193,387	-	0.90%	21,400,917 (Note)	Yes	No	Yes
0	Coretronic Corporation	YLG Optotech	Associate	10,700,458 (Note)	145,044 (USD4,590 thousands)	137,608 (USD4,590 thousands)	61,159	-	0.64%	21,400,917 (Note)	Yes	No	Yes
0	Coretronic Corporation	Calibre UK Ltd.	Subsidiary	10,700,458 (Note)	201,945 (GBP5,060 thousands)	199,162 (GBP5,060 thousands)	120,170	-	0.93%	21,400,917 (Note)	Yes	No	No
	Total				$ 1,116,255	$ 1,102,407							

Note : 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 years ended December 31, 2019)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Lender	Counter-party	Financial statement account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for financing	Allowance for expected credit losses	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	Value		
1	Young Green Energy	Calibre UK Ltd	Accounts receivables - related parties	Yes	$ 20,185	$ 7,872	$ 7,872	1.45%	The need for short-term financing	-	Business turnover	-	None	-	$ 90,054	$ 90,054
1	Young Green Energy	Coretronic Intelligent Robotics Corporation	Accounts receivables - related parties	Yes	30,000	30,000	30,000	0.63%	The need for short-term financing	-	Business turnover	-	None	-	90,054	90,054
2	Coretronic (Ningbo)	Coretronic Display (Suzhou)	Accounts receivables - related parties	Yes	1,008,832	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	3,180,641	3,180,641
2	Coretronic (Ningbo)	YLG Optotech	Accounts receivables - related parties	Yes	282,015	236,362	236,362	0.5%	The need for short-term financing	-	Business turnover	-	None	-	3,180,641	3,180,641
3	Coretronic (Suzhou)	Coretronic Corporation	Accounts receivables - related parties	Yes	141,255	134,910	134,910	2.332%	The need for short-term financing	-	Business turnover	-	None	-	1,285,592	1,285,592
3	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Accounts receivables - related parties	Yes	1,062,979	1,052,882	1,052,882	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,285,307	4,285,307
3	Coretronic (Suzhou)	Coretronic System Engineering (Shanghai)	Accounts receivables - related parties	Yes	36,795	17,190	17,190	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,285,307	4,285,307
4	Bigshine (HK)	Core-Flex Limited	Accounts receivables - related parties	Yes	136,070	129,094	129,094	0.5%	The need for short-term financing	-	Business turnover	-	None	-	269,577	269,577
4	Bigshine (HK)	Coretronic Corporation	Accounts receivables - related parties	Yes	252,800	209,860	209,860	-	The need for short-term financing	-	Business turnover	-	None	-	673,943	673,943
5	Venture Orient	Coretronic Corporation	Accounts receivables - related parties	Yes	94,170	89,940	89,940	-	The need for short-term financing	-	Business turnover	-	None	-	474,628	474,628
6	Great Pride	Coretronic Corporation	Accounts receivables - related parties	Yes	34,760	32,978	32,978	-	The need for short-term financing	-	Business turnover	-	None	-	2,360,546	2,360,546
7	Lead Bright (HK)	Coretronic Corporation	Accounts receivables - related parties	Yes	154,840	146,902	146,902	-	The need for short-term financing	-	Business turnover	-	None	-	3,375,189	3,375,189
8	Investdragon (HK)	Coretronic Corporation	Accounts receivables - related parties	Yes	123,240	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	117,635	117,635
9	Wisdom Success (HK)	Coretronic Corporation	Accounts receivables - related parties	Yes	44,240	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	5,313,538	5,313,538
10	Greendale	Coretronic Corporation	Accounts receivables - related parties	Yes	464,836	19,187	19,187	-	The need for short-term financing	-	Business turnover	-	None	-	5,131,724	5,131,724
11	Bigshine	Coretronic Corporation	Accounts receivables - related parties	Yes	47,400	14,990	14,990	-	The need for short-term financing	-	Business turnover	-	None	-	328,275	328,275
11	Bigshine	Brightbridge	Accounts receivables - related parties	Yes	2,781	2,653	2,653	0.5%	The need for short-term financing	-	Business turnover	-	None	-	328,275	328,275
12	Nano Precision	Coretronic Corporation	Accounts receivables - related parties	Yes	211,720	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	203,686	203,686
13	Great Pride(HK)	Coretronic Corporation	Accounts receivables - related parties	Yes	106,726	101,932	101,932	-	The need for short-term financing	-	Business turnover	-	None	-	2,342,239	2,342,239
14	Tecpoint	Coretronic Corporation	Accounts receivables - related parties	Yes	103,587	5,996	5,996	-	The need for short-term financing	-	Business turnover	-	None	-	3,222,696	3,222,696
15	Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Accounts receivables - related parties	Yes	151,854	150,412	150,412	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,840,162	4,840,162
16	Dynamic Time	Optoma Corporation	Accounts receivables - related parties	Yes	537,200	509,660	509,660	-	The need for short-term financing	-	Business turnover	-	None	-	741,558	741,558
16	Dynamic Time	Optoma USA	Accounts receivables - related parties	Yes	173,800	164,890	164,890	2.37%-2.55%	The need for short-term financing	-	Business turnover	-	None	-	1,853,896	1,853,896
17	Modern Smart	Optoma Corporation	Accounts receivables - related parties	Yes	20,540	19,487	19,487	-	The need for short-term financing	-	Business turnover	-	None	-	53,362	53,362
17	Modern Smart	Optoma USA	Accounts receivables - related parties	Yes	20,540	19,487	19,487	2.55%	The need for short-term financing	-	Business turnover	-	None	-	133,404	133,404
18	Masterview	Young Optics (BD)	Other receivables - related parties	Yes	126,400	-	-	2.50%	The need for short-term financing	-	Business turnover	-	None	-	1,398,654	1,398,654
19	Grace China	Young Optics (BD)	Other receivables - related parties	Yes	88,480	-	-	3.00%	The need for short-term financing	-	Business turnover	-	None	-	1,104,803	1,104,803

Note A : Limit of financing amount for individual counter-party and total financing amount should not exceed 100% of lender's net worth from the latest financial statement, including Bigshine (HK) Limited、Bigshine International Limited、GREAT PRIDE INC. (Samoa)、Great Pride Hong Kong Limited、Greendale Investments Limited、Lead Bright (HK) Limited、TEC POINT LIMITED (BVI)、Venture Orient Limited.
The above restriction only applies to the foreign subsidiaries whose shares are 100% owned, by the Company.

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

Note C : Limit of total financing amount for individual counter-party should not exceed 40% of lender's net worth from the latest financial statement, and limit of total financing amount should not exceed 100% of the latest financial statements of lender, including Dynamic Time Investments Limited、Modern Smart Ltd.、Bigshine (HK) Limited、Young Green Energy Co., LTD.

Note D : For the outside-of-Taiwan loans of Coretronic (Suzhou), the total limit of financing amount should not exceed 30% of the Company's net worth in the latest audited financial statement.

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

ATTACHMENT 1-2 (Endorsement/Guarantee provided to others for the years ended December 31, 2019)
(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										
1	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Associate	$ 2,142,654 (Note)	$ 769,848	$ 769,848	$ 426,049	-	17.96%	$ 4,285,307 (Note)	No	No	Yes
2	Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	376,981 (Note)	206,971	193,387	193,387	-	25.65%	753,962 (Note)	No	No	Yes
3	Optoma Corporation	Optoma USA	Associate	309,318 (Note)	9,480	-	-	-	0.00%	618,635 (Note)	No	No	No
	Total				$ 986,299	$ 963,235							

Note : 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 2 (Securities held as of December 31, 2019)
(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, 2019				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value(Note)	
Coretronic Corporation	Maxima Venture I, Inc.	-	Financial assets at fair value through other comprehensive income-noncurrent	29,400	$ 628	5.26%	$ 628	
Coretronic Corporation	Nightingale Intelligent Systems, Inc.	-	Financial assets at fair value through profit or loss-noncurrent	1,148,617	33,058	3.72%	33,058	
Coretronic Corporation	GLO AB	-	Financial assets at fair value through profit or loss-noncurrent	50,000	2,354	0.24%	2,354	
Coretronic Corporation	Etergo Opto-Electronics Co., LTD	-	Investments accounted for using the equity method- noncurrent	1,000,000	22,934	20.00%	-	

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

ATTACHMENT 2-1 (Securities held as of December 31, 2019)
(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, 2019				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value(Note A)	
Chung Tsen Investment Corp.	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	34,107,900	$ 338,814	4.47%	$ 338,814	
Venture Orient	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 2,547,750	5.00%	USD 2,547,750	
Optoma Corporation	LIULIGONGFANG	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	3,876	3.06%	3,876	
	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	27,769	19.90%	27,769	
Coretronic Venture Capital	GeneJet Biotech	-	Investments accounted for using the equity method- noncurrent	1,575,000	- (Note B)	19.51%	-	

Note A : The Group measured the fair value of investments in accordance with IFRS9.
Note B : The impairment loss was recognized as the difference between the recoverable amount of the security and its carrying value.

ATTACHMENT 3 (Acquisition of individual real estate with cost exceeding NT$300 million or 20 percent of capital stock for the years ended December 31, 2019)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Types of property	Transaction date	Transaction amount	Payment term	Counter-party	Relationship	Prior transaction of related counter-party				Price reference	Purpose of acquisition and usage	Other terms
							Owner	Relationship	Transfer date	Amount			
Coretronic Corporation	Buildings	April, 2019	$ 450,000	Settlement by the construction and progess and acceptace dealed in the contracts	TAYIH KENMOS AUTO PARTS CO., LTD	None	-	-	-	-	Real estate valuation report	Business purpose	-

ATTACHMENT 4 (Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of capital stock for the years ended December 31, 2019)

(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 Corporation	Subsidiary	Sales	$ 4,366,572	24.48%	90 days	-	-	$ 1,786,541	33.69%	

ATTACHMENT 4-1 (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, 2019)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Young Optics	Grace China	Associate	Sales	$ 227,631	5.43%	60 days	-	-	$ 444,656	34.52 %	
Young Optics	Grace China	Associate	Purchases	1,939,647	70.26%	60 days	-	-	(991,171)	(72.23%)	
Young Optics	Aptek Optical	Subsidiary	Sales	287,296	6.85%	60 days	-	-	55,597	4.32 %	
Young Optics (Kunshan)	Grace China	Associate	Sales	1,699,966	75.34 %	60 days	-	-	811,502	85.56 %	
Young Optics (Kunshan)	Grace China	Associate	Purchases	236,215	12.74 %	30 days	-	-	(250,487)	(57.02%)	
Young Optics (Kunshan)	Young Optics (Suzhou)	Associate	Sales	126,351	5.77 %	60 days	-	-	33,330	3.51 %	
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	383,568	17.53 %	90 days	-	-	101,124	10.66 %	
Young Optics (Suzhou)	Grace China	Associate	Sales	120,042	30.81 %	60 days	-	-	21,882	36.02 %	
Young Optics (Suzhou)	Grace China	Associate	Purchases	141,207	44.36 %	60 days	-	-	(61,505)	(55.22%)	
Young Optics(BD)	Grace China	Associate	Sales	291,025	99.93 %	60 days	-	-	129,517	100.00 %	
Young Optics(BD)	Grace China	Associate	Purchases	17,663	26.55 %	60 days	-	-	(422,538)	(99.77%)	
Optoma Corporation	Optoma Europe	Associate	Sales	2,815,250	53.50%	90 days	-	-	543,542	36.76 %	
Optoma Corporation	Optoma USA	Associate	Sales	1,693,925	32.19%	120 days	-	-	857,969	58.02 %	
Optoma China	Coretronic Projection (Kunshan)	Associate	Purchases	871,793	94.20%	90 days	-	-	(373,316)	(99.35%)	
Nano Precision (Suzhou)	Coretronic (Suzhou)	Associate	Sales	345,646	22.55%	60 days	-	-	88,112	16.43%	
Nano Precision (Suzhou)	Great Pride (HK)	Associate	Sales	371,757	24.25%	60 days	-	-	140,774	26.26%	
Nano Precision (Suzhou)	Coretronic Optotech (Suzhou)	Associate	Sales	110,546	7.21%	60 days	-	-	23,595	4.40 %	
Nano Precision Taiwan Limited	Nano Precision (Suzhou)	Associate	Sales	309,050	71.86%	60 days	-	-	100,163	74.48%	
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	676,059	4.66%	60 days	-	-	170,511	6.92%	
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	Sales	7,714,987	99.79%	60 days	-	-	1,269,484	99.71%	
Coretronic Projection (Kunshan)	Champ Vision Display	Associate	Sales	1,024,635	7.07%	60 days	-	-	159,985	6.50%	
Champ Vision Display	Coretronic Projection (Kunshan)	Associate	Sales	486,947	21.36%	60 days	-	-	73,885	21.74%	

ATTACHMENT 5 (Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of December 31, 2019)

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

Company Name	Counter-party	Relationship	Accounts receivables - related parties	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Accounts receivable：								
Coretronic Corporation	Optoma Corporation	Subsidiary	$ 1,786,541	2.16	$ -	-	$ -	$ -

ATTACHMENT 5-1 (Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of December 31, 2019)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Counter-party	Relationship	Accounts receivables - related parties Balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Accounts receivable :								
Optoma Corporation	Optoma USA	Associate	$ 857,969	1.81	$ -	-	$ -	$ -
Optoma Corporation	Optoma Europe	Associate	543,542	4.12	-	-	-	-
Young Optics	Grace China	Associate	444,656	0.80	-	-	-	-
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	101,124	3.44	-	-	-	-
Young Optics (Kunshan)	Grace China	Associate	811,502	2.37	-	-	-	-
Grace China	Young Optics	Associate	991,171	2.56	-	-	-	-
Grace China	Young Optics (Kunshan)	Associate	250,487	1.21	-	-	-	-
Grace China	Young Optics (BD)	Associate	422,538	0.06	-	-	-	-
Young Optics (BD)	Grace China	Associate	129,517	2.20	-	-	-	-
Nano Precision (Suzhou)	Great Pride (HK)	Associate	140,774	2.75	-	-	-	-
Coretronic Projection (Kunshan)	Champ Vision Display	Associate	159,985	4.59	-	-	-	-
Coretronic Projection (Kunshan)	Optoma China	Associate	373,316	1.54	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	170,511	3.58	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	1,269,484	5.48	-	-	-	-
Other receivables :								
Dynamic Time	Optoma Corporation	Associate	509,660	-	-	-	-	-
Dynamic Time	Optoma USA	Associate	166,882	-	-	-	-	-
Young Optics	Grace China	Associate	323,822	-	-	-	-	-
Grace China	Young Optics (BD)	Associate	194,427	-	-	-	-	-

ATTACHMENT 6 (significant intercompny transactions between consolidated entites)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No. (Note A)	Related party	Counter-party	Relationship with Coretronic Corporation (Note B)	Transactions			
				Accounts	Amount	Collection periods (Note C)	Percentage of consolidated operating revenues or consolidated total assets (Note D)
0	Coretronic Corporation	Optoma Corporation	1	Accounts receivables	1,786,541	—	3.62%
			1	Sales	4,366,572	—	8.96%
		Optoma Europe	1	Sales	43,123	—	0.09%
		Coretronic(Suzhou)	1	Sales	1,107,113	—	2.27%
		Greendale	1	Accounts receivables	1,260,515	—	2.56%
			1	Sales	5,265,508	—	10.81%
		Coretronic Projection (Kunshan)	1	Accounts receivables	50,242	—	0.10%
			1	Sales	94,553	—	0.19%
		Wisdom Success (HK)	1	Sales	96,803	—	0.20%
		YLG Optotech	1	Accounts receivables	67,470	—	0.14%
			1	Sales	619,920	—	1.27%
		Coretronic Display (Suzhou)	1	Accounts receivables	1,998,117	—	4.05%
			1	Sales	5,506,431	—	11.30%
		Coretronic Optotech (Suzhou)	1	Accounts receivables	695,513	—	1.41%
			1	Sales	3,519,643	—	7.23%
1	Optoma Corporation	Optoma Technology	3	Accounts receivables	857,969	—	1.74%
			3	Sales	1,693,925	—	3.48%
		Optoma Europe	3	Accounts receivables	543,542	—	1.10%
			3	Sales	2,815,250	—	5.78%
2	Young Optics	Grace China	3	Other receivables	323,822	—	0.66%
			3	Accounts receivables	444,656	—	0.90%
			3	Sales	1,478,998	—	3.04%
		Aptek Optical	3	Accounts receivables	55,597	—	0.11%
			3	Sales	287,296	—	0.59%
3	Grace China	Young Optics	3	Accounts receivables	991,170	—	2.01%
			3	Sales	3,191,444	—	6.55%
		Young Optics(Kunshan)	3	Accounts receivables	257,943	—	0.52%
			3	Sales	1,392,156	—	2.86%
		Young Optics (SuZhou)	3	Accounts receivables	61,504	—	0.12%
			3	Sales	141,144	—	0.29%
		Young Optics (BD)	3	Other receivables	278,478	—	0.56%
			3	Accounts receivables	347,756	—	0.71%
			3	Sales	113,625	—	0.23%

No. (Note A)	Related party	Counter-party	Relationship with Coretronic Corporation (Note B)	Transactions			
				Accounts	Amount	Collection periods (Note C)	Percentage of consolidated operating revenues or consolidated total assets (Note D)
4	Young Optics(Kunshan)	Grace China	3	Accounts receivables	811,502	—	1.65%
			3	Sales	2,854,361	—	5.86%
		Young Optics (SuZhou)	3	Accounts receivables	33,330	—	0.07%
			3	Sales	126,351	—	0.26%
		Coretronic Optics (Kunshan)	3	Accounts receivables	101,124	—	0.21%
			3	Sales	383,568	—	0.79%
5	Dynamic Time	Optoma Corporation	3	Other receivables	509,660	—	1.03%
		Optoma Technology	3	Other receivables	166,882	—	0.34%
6	Wisdom Success	Coretronic(Suzhou)	3	Sales	3,814,328	—	7.83%
7	Coretronic(Suzhou)	Coretronic Corporation	2	Other receivables	136,020	—	0.28%
			2	Sales	396,793	—	0.81%
		Wisdom Success	3	Sales	1,650,972	—	3.39%
		Wisdom Success (HK)	3	Accounts receivables	3,288,358	—	6.67%
			3	Sales	1,007,513	—	2.07%
		Coretronic Display (Suzhou)	3	Other receivables	1,056,532	—	2.14%
			3	Sales	76,385	—	0.16%
8	Venture Orient	Coretronic Corporation	2	Other receivables	89,940	—	0.18%
9	Technology Service (Kunshan)	Coretronic Corporation	2	Sales	35,588	—	0.07%
10	Best Alpha	Young Optics (SuZhou)	3	Other receivables	110,551	—	0.22%
11	Young Optics (SuZhou)	Grace China	3	Sales	120,042	—	0.25%
12	Great Pride	Coretronic Corporation	2	Other receivables	32,978	—	0.07%
13	Nano Precision (Suzhou)	Coretronic(Suzhou)	3	Accounts receivables	88,112	—	0.18%
			3	Sales	345,646	—	0.71%
		Great Pride (HK)	3	Accounts receivables	140,774	—	0.29%
			3	Sales	371,757	—	0.76%
		Coretronic Display (Suzhou)	3	Sales	85,993	—	0.18%
		Coretronic Optotech (Suzhou)	3	Sales	110,546	—	0.23%
14	Greendale	Coretronic Corporation	2	Other receivables	1,208,550	—	2.45%
		Coretronic Optics (Kunshan)	3	Other receivables	1,246,350	—	2.53%

No. (Note A)	Related party	Counter-party	Relationship with Coretronic Corporation (Note B)	Transactions			
				Accounts	Amount	Collection periods (Note C)	Percentage of consolidated operating revenues or consolidated total assets (Note D)
15	Coretronic Projection (Kunshan)	Optoma China	3	Accounts receivables	373,316	—	0.76%
			3	Sales	873,307	—	1.79%
		Vimax(Kunshan)	3	Sales	32,204	—	0.07%
		Greendale	3	Accounts receivables	1,185,817	—	2.40%
			3	Sales	8,058,117	—	16.54%
		Young Green Energy	3	Sales	44,981	—	0.09%
		Champ Vision Display	3	Accounts receivables	159,985	—	0.32%
			3	Sales	1,024,635	—	2.10%
		Coretronic Optics (Kunshan)	3	Other receivables	153,798	—	0.31%
			3	Accounts receivables	170,511	—	0.35%
			3	Sales	676,059	—	1.39%
16	Young Green Energy	Coretronic Intelligent Robotics	3	Other receivables	30,113	—	0.06%
17	Boom Power Electronics (SuZhou)	Coretronic Projection (Kunshan)	3	Sales	49,536	—	0.10%
18	Coretronic (Ningbo)	YLG Optotech	3	Other receivables	236,898	—	0.48%
19	Nano Display (Guangzhou)	Coretronic (Guangzhou)	3	Sales	55,211	—	0.11%
20	Great Pride (HK)	Coretronic Corporation	2	Other receivables	101,932	—	0.21%
21	Wisdom Success (HK)	Coretronic(Suzhou)	3	Accounts receivables	2,494,477	—	5.06%
			3	Sales	3,055,098	—	6.27%
22	Bigshine (HK)	Coretronic Corporation	2	Other receivables	209,860	—	0.43%
		Core-Flex	3	Other receivables	129,094	—	0.26%
23	Lead Bright (HK)	Coretronic Corporation	2	Other receivables	149,199	—	0.30%
24	CORETRONIC INTELLIGENT CLOUD SERVICE CORPORATION	Coretronic Corporation	2	Accounts receivables	59,366	—	0.12%
			2	Sales	129,758	—	0.27%
25	YLG Optotech	Coretronic Corporation	2	Accounts receivables	211,266	—	0.43%
			2	Sales	1,282,280	—	2.63%
		Champ Vision Display	3	Sales	165,005	—	0.34%
26	Young Optics (BD)	Grace China	3	Accounts receivables	129,517	—	0.26%
			3	Sales	386,974	—	0.79%
27	Coretronic Display (Suzhou)	Coretronic Corporation	2	Accounts receivables	1,195,345	—	2.42%
			2	Sales	2,917,685	—	5.99%
		YLG Optotech	3	Accounts receivables	30,294	—	0.06%
			3	Sales	157,569	—	0.32%

No. (Note A)	Related party	Counter-party	Relationship with Coretronic Corporation (Note B)	Transactions			
				Accounts	Amount	Collection periods (Note C)	Percentage of consolidated operating revenues or consolidated total assets (Note D)
28	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivables	559,847	—	1.14%
			2	Sales	1,308,006	—	2.69%
		Coretronic Display (Suzhou)	3	Accounts receivables	129,595	—	0.26%
			3	Sales	223,675	—	0.46%
29	Champ Vision Display	Coretronic Corporation	2	Other receivables	32,916	—	0.07%
		Coretronic Projection (Kunshan)	3	Accounts receivables	73,885	—	0.15%
			3	Sales	486,947	—	1.00%
		YLG Optotech	3	Sales	84,420	—	0.17%
30	Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	3	Accounts receivables	1,269,484	—	2.57%
			3	Sales	7,714,987	—	15.84%
31	Nano Precision Taiwan	Nano Precision (Suzhou)	3	Accounts receivables	100,163	—	0.20%
			3	Sales	309,050	—	0.63%
		Coretronic (Ningbo)	3	Sales	41,296	—	0.08%
		Coretronic Display (Suzhou)	3	Sales	38,209	—	0.08%

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

Note B: Transactions are categorized as follows:
1. The holding company to subsidiary.
2. The subsidiary to holding company.

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

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

ATTACHMENT 7 : (Names, locations and related information of investee companies as of December 31, 2019) (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, 2019			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%	$4,858,922	$242,163	$242,163	Subsidiary
Coretronic Corporation	Optoma Corporation	New Taipei City, Taiwan	Engaged in the production and marketing of data storage and processing equipment, electronic components, optical devices, wireless communications equipment and electronic appliances	518,465	518,465	58,462,000	100.00%	589,663	(18,560)	(18,560)	Subsidiary
Coretronic Corporation	Young Optics Inc	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics.	547,842	574,658	41,062,586	36.00%	1,225,340	4,549	4,109	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	614,303	40,781	100.00%	11,333,597	927,305	927,305	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,218,879	45,142	45,142	Subsidiary
Coretronic Corporation	Chung Tsen Investment Corp.	Miaoli County, Taiwan	Investing company for strategic purposes	692,696	692,696	127,099,664	100.00%	1,662,801	12,024	12,024	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,156,668	33,556,599	78.06%	2,496,088	204,450	159,595	Subsidiary
Coretronic Corporation	Young Green Energy Co., LTD	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of electronic components, battery, computer and its peripheral devices, and electronic material	214,620	214,620	18,833,220	99.91%	236,548	24,443	24,421	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00%	1,687	288,864	288,864	Subsidiary
Coretronic Corporation	Coretronic Intelligent Cloud Service Corp.	Hsinchu County, Taiwan	Engaged in intelligent cloud, IT information, intelligent applications and platform development related business of new media.	254,990	254,990	15,000,000	100.00%	142,603	(710)	(710)	Subsidiary
Coretronic Corporation	Coretronic Venture Capital Corp.	Miaoli County, Taiwan	The investment activities of company's business expansion	300,000	300,000	30,000,000	100.00%	303,324	1,795	1,795	Subsidiary
Coretronic Corporation	Champ Vision Display Inc.	Miaoli County, Taiwan	Engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	144,000	144,000	14,400,000	80.00%	169,027	44,462	71,115	Subsidiary
Coretronic Corporation	uCare Medical Electronics Co., Ltd.	Miaoli County, Taiwan	Engaged in the R&D, design, production and marketing of intelligent movement and medical care related software and hardware products.	80,000	80,000	8,000,000	60.69%	47,888	(19,381)	11,221	Subsidiary
Coretronic Corporation	Calibre UK Limited	UK	Engaged in R&D, design, production and marketing of image processing products.	44,088	44,088	101,042	100.00%	(39,008)	(27,677)	(27,677)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Hsinchu City, Taiwan	Engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	150,000	60,000	15,000,000	100.00%	39,419	(70,195)	(70,195)	Subsidiary
Coretronic Corporation	InnoSpectra Corporation	Hsinchu City, Taiwan	Engaged in R&D and marketing of near-infrared spectrum and corresponding solutions.	48,000	48,000	4,800,000	80.00%	21,808	(16,089)	(9,103)	Subsidiary
Coretronic Corporation	Coretronic MEMS Corporation	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	180,000	-	18,000,000	100.00%	160,403	(19,597)	(19,597)	Subsidiary
Coretronic Corporation	Coretronic Reality Inc.	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of wearable and embedded projector, system, and display solutions.	100,000	-	10,000,000	100.00%	99,934	(66)	(66)	Subsidiary

ATTACHMENT 7 -1 : (Names, locations and related information of investee companies as of December 31, 2019) (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, 2019			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 162,480,674	USD 7,812,417	(Note)	Associate
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 11,750,000	43,300	100.00 %	USD 309,329,061	USD 26,958,786	(Note)	Associate
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 9,157,826	(USD 733,480)	(Note)	Associate
Visicorp	Investdragon	Samoa	Holding company	USD 636,000	USD 3,000,000	212,000	100.00 %	USD 18,368	USD 21,278	(Note)	Associate
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 30,151,344	USD 1,220,737	(Note)	Associate
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 15,502,448	USD 1,662,331	(Note)	Associate
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,204,902	USD 5,665,000	5,204,902	12.11 %	USD 12,914,023	USD 6,614,386	(Note)	Associate
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 184,676,180	USD 21,268,046	(Note)	Associate
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 85,326,651	USD 4,675,364	(Note)	Associate
Wisdom Success	Investdragon (HK)	HK	Holding company	USD 2,000,000	USD 2,000,000	2,000	40.00 %	USD 1,576,163	USD 16,637	(Note)	Associate
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 24,805,376	USD 4,322,233	(Note)	Associate
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 13,524,133	(USD 685,122)	(Note)	Associate
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 8,114,480	(USD 685,122)	(Note)	Associate
Investdragon	Investdragon (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	60.00 %	USD 2,364,245	USD 16,637	(Note)	Associate
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 30,151,291	USD 4,675,364	(Note)	Associate
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 15,502,353	USD 4,322,233	(Note)	Associate
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 40,656,014	USD 1,459,021	(Note)	Associate
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 83,778,556	USD 6,045,696	(Note)	Associate
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 7,153,992	USD 468,438	(Note)	Associate
Tecpoint	Nano Precision	HK	Holding company	USD 6,800,000	USD 6,800,000	6,800,000	100.00 %	USD 6,999,523	(USD 819,609)	(Note)	Associate
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 15,454,636	USD 838,387	(Note)	Associate
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800	100.00 %	USD 82,640,251	USD 6,045,660	(Note)	Associate
Nano Precision (Suzhou)	Nano Precision Taiwan Limited	Taiwan	Engaged in the design, production and marketing of general lighting application, electronic components and	300,000	300,000	30,000,000	100.00 %	RMB 47,562,984	(RMB 21,196,570)	(Note)	Associate

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

ATTACHMENT 7 -2 : (Names, locations and related information of investee companies as of December 31, 2019) (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, 2019			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Chung Tsen Investment Corp.	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	$503,190	$20,519	(Note)	Associate
Chung Tsen Investment Corp.	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	35,471	61,867	2,596,317	2.28 %	77,477	4,549	(Note)	Subsidiary
Chung Tsen Investment Corp.	Tsen Ming Investment	New Taipei City, Taiwan	Investing company for strategic purposes	102,000	102,000	32,443,180	100.00 %	435,254	(2,059)	(Note)	Associate
Chung Tsen Investment Corp.	Core-Flex	Cayman Islands	Holding company	USD 3,130,000	USD 3,130,000	3,130,000	1.39 %	3,268	14,521	(Note)	Associate
Venture Orient	Teepoint	B.V.I.	Holding company	USD 4,226,399	USD 4,600,000	4,226,399	9.83 %	USD 10,486,258	USD 6,614,385	(Note)	Subsidiary
Tsen Ming Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	31,921	50,859	1,698,886	1.49 %	51,645	4,549	(Note)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	USD 1,718,289	USD 1,718,289	8,170,000	3.61 %	14,199	14,521	(Note)	Associate
Young Green Energy	Boom Power	B.V.I.	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00 %	106,524	12,355	(Note)	Associate
Young Optics	Masterview	B.V.I.	Holding company	USD 6,000,000	USD 6,000,000	6,000,000	100.00 %	1,793,679	(18,109)	(Note)	Associate
Young Optics	Young Optics Inc.	USA	Operating maintenance services business	USD 50,000	USD 50,000	50,000	100.00 %	21	(191)	(Note)	Associate
Young Optics	Aptek Optical	Hsinchu County, Taiwan	Manufacturing and selling of optics instruments and electronic components	298,140	298,140	9,250,000	92.50 %	98,219	15,219	(Note)	Associate
Young Optics	Mejiro Genossen Inc.	Japan	Researching, developing, manufacturing and selling of optics machines	JPY 161,200,908	JPY 161,200,908	4,950	99.00 %	43,811	(2,307)	(Note)	Associate
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 21,194,949	(USD 1,425)	(Note)	Associate
Masterview	Grace China	Cayman Islands	Holding company	USD 8,156,458	USD 8,156,458	8,156,458	100.00 %	USD 36,954,663	(USD 240,344)	(Note)	Associate
Masterview	Young Optics (BD) LTD.	Bengal	Manufacturing of optics components	USD 5,000,000	USD 1,000,000	4,149,936	62.50 %	USD 795,536	(USD 1,129,302)	(Note)	Associate
Masterview	Young Optics Europe GmbH	Germany	Manufacturing and selling of 3D printer	EUR 18,750	EUR 18,750	-	75.00 %	USD 77,416	(USD 39,061)	(Note)	Associate
Grace China	Young Optics (BD) LTD.	Bengal	Manufacturing of optics components	USD 3,000,000	USD 1,000,000	2,479,960	37.50 %	USD 477,321	(USD 1,129,302)	(Note)	Associate
Optoma Corporation	Dynamic Time	Cayman Islands	Holding company	USD 14,122,230	USD 14,122,230	14,856	100.00 %	1,744,631	(USD 3,569,855)	(Note)	Associate

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

ATTACHMENT 7-3 (Names, locations and related information of investee companies as of December 31, 2019) (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, 2019			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Dynamic Time	Optoma Europe	U.K.	Marketing and after sales service of Optoma in European region	USD 2,451,350	USD 2,451,350	1,200,000	100.00 %	USD 31,044,297	GBP 2,151,500	(Note)	Associate
Dynamic Time	Optoma USA	USA	Marketing and after sales service of Optoma in Americas region	USD 8,821,889	USD 8,821,889	825,000	100.00 %	USD 234,423	(USD 4,953,425)	(Note)	Associate
Dynamic Time	Modern Smart	B.V.I.	Holding company	USD 1,200,000	USD 1,200,000	1,200,000	100.00 %	USD 3,138,057	(USD 1,281,936)	(Note)	Associate
Dynamic Time	Optoma (China&HK) Ltd.	HK	Marketing and after sales service of Optoma in Hong Kong and the Asia-Pacific region	USD 309,546	USD 309,546	2,400,000	100.00 %	USD 349,188	HKD 11,636	(Note)	Associate
Optoma Europe	Optoma Deutschland GmbH	Germany	Marketing and after sales service of Optoma in European region	EUR 958,000	EUR 958,000	-	100.00 %	GBP 1,153,959	(EUR 722,888)	(Note)	Associate
Optoma Europe	Optoma France	France	Marketing and after sales service of Optoma in European region	GBP 67,376	GBP 67,376	-	100.00 %	GBP 414,023	EUR 146,977	(Note)	Associate
Optoma Europe	Optoma Scandinavia. A.S.	Norway	Marketing and after sales service of Optoma in European region	GBP 8,260	GBP 8,260	100	100.00 %	GBP 107,374	(NOK 1,129,909)	(Note)	Associate
Optoma Europe	Optoma Espana, S.L.	Spain	Marketing and after sales service of Optoma in European region	EUR 103,006	EUR 103,006	5,150,280	100.00 %	GBP 360,699	(EUR 54,568)	(Note)	Associate
Optoma Europe	Optoma Benelux B.V.	Netherlands	Marketing and after sales service of Optoma in European region	EUR 18,000	EUR 18,000	18,000	100.00 %	GBP 322,745	(EUR 7,743)	(Note)	Associate
Young Lighting Limited	Young Lighting (HK)	HK	Holding company	USD 847,000	USD 847,000	847	100.00 %	USD 240,286	USD 5,945	(Note)	Associate
Young Lighting Limited	YLG Limited	Samoa	Holding company	USD 3,060,000	USD 3,060,000	3,060,000	51.00 %	USD 364,907	USD 244,640	(Note)	Associate
Young Lighting Limited	Brightbridge	Samoa	Holding company	USD 1	USD 1	29,500,000	100.00 %	(USD 348,007)	USD 5,260,249	(Note)	Associate
Young Lighting Limited	Crystal Word	Samoa	Holding company	USD 1	USD 1	22,258,000	100.00 %	(USD 201,086)	USD 3,968,607	(Note)	Associate
Coretronic Intelligent Cloud Service Corp.	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	17,101	8,325	(Note)	Associate
Coretronic System Engineering Limited	Coretronic System Engineering (HK)	HK	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	USD 570,422	USD 269,854	(Note)	Associate

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

ATTACHMENT 8 : (Investment in Mainland China as of December 31, 2019)
(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, 2019	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2019	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2019	Accumulated inward remittance of earnings as of December 31, 2019
					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)	236,724	100.00%	236,724	$ 4,834,064	428,855 (USD14,065,436) (Note A and Note C)
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)	2,999	100.00%	2,999	23,758	-
Coretronic Optics (Kunshan)	Production and sales of projector module products and spectrometer	RMB42,000,000	Indirect investment from the Mainland China subsidiary (CPC)	-	-	-	-	41,417	100.00%	41,417	347,155	-
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)	51,939	100.00%	51,939	1,201,805	-
Coretronic (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales	660,657 (USD20,000,000)	Indirect investment from the third region (Wisdom Success HK)	271,297 (USD8,000,000)	-	-	271,297 (USD8,000,000)	588,160	100.00%	588,160	4,374,144	-
Coretronic Optics (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales	USD10,000,000	Indirect investment from the third region (Wisdom Success HK)	-	-	-	-	3,046	100.00%	3,046	294,025	-
Coretronic Optotech (Suzhou)	Research and development, manufacturing backlight module and related components, 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)	-	-	-	-	72,150	100.00%	72,150	823,463	-
Coretronic (Shanghai)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	257,829 (USD8,000,000)	Indirect investment from the third region (Bigshine HK)	95,254 (USD3,000,000)	-	-	95,254 (USD3,000,000)	(22,594)	100.00%	(22,594)	278,820	30,490 (USD1,00,000) (Note A and Note D)
Coretronic Display (Suzhou)	Research and development, manufacturing panel modules and related components of the business, sales of the company's own products and provide related after-sales maintenance services	1,547,564 (USD51,758,000)	Indirect investment from the third region (Brightbridge and Crystal World)	88,972 (USD2,967,283)	-	-	88,972 (USD2,967,283)	249,791	100.00%	249,791	(13,903)	-
Coretronic (Ningbo)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	650,050 (USD20,000,000)	Indirect investment from the third region (Lead Bright HK)	151,490 (USD4,700,000)	-	-	151,490 (USD4,700,000)	144,893	100.00%	144,893	3,314,962	-
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)	15,195	100.00%	15,195	365,019	-
Nano Precision (Suzhou)	Manufacture and sales of acrylic panels and light guide plate	426,839 (USD13,300,000)	Indirect investment from the third region (Great Pride HK)	330,478 (USD10,392,880)	-	-	330,478 (USD10,392,880)	182,170	100.00%	182,170	2,375,220	85,228 (USD2,795,270) (Note A and Note E)
Nano Display (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	92,088 (USD2,800,000)	Indirect investment from the third region (Great Pride HK)	-	-	-	-	8,000	100.00%	8,000	-	99,026 (USD3,215,142) (Note A、Note F and Note H)
Coretronic (Guangzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	417,580 (USD13,000,000)	Indirect investment from the third region (Elite View HK)	29,020 (USD1,000,000)	-	-	29,020 (USD1,000,000)	134,117	100.00%	134,117	1,208,411	-
Nano Precision (Nanjing)	Manufacture and sales 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)	-	91,866 (USD2,966,301)	27,159 (USD733,699)	(1,405)	100.00%	(1,405)	-	63,605 (USD2,065,438) (Note A、Note G and Note I)
Nano Display (Guangzhou)	Research and development, processing, manufacture of liquid crystal display light guide plate, sales of the company's products and provide related services	238,740 (USD7,800,000)	Indirect investment from the third region (Nano Display)	9,820 (USD308,797)	-	-	9,820 (USD308,797)	26,053	100.00%	26,053	463,310	-
YLG Optotech	Research and development, processing, manufacturing display components, sales of the company's products and provide related services	USD 6,000,000	Indirect investment from the third region (YLG Limited)	USD 3,060,000	-	-	USD 3,060,000	7,640	51.00%	3,896	10,924	-
Coretronic System Engineering (Shanghai)	Contractor in intelligent building engineering and provide related services	USD 1,500,000	Indirect investment from the third region (Coretronic System Engineering HK)	USD 1,500,000	-	-	USD 1,500,000	8,325	100.00%	8,325	17,101	-
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	12,355	100.00%	12,355	11,976	-

Accumulated investment in Mainland China as of December 31, 2019 (Note A, B)	Investment amounts authorized by Investment Commission, MOEA (Note B～Note I)	Upper limit on investment
$2,611,653 (USD 81,513,914)	$2,443,787 (USD 81,513,914)	$12,829,917

Note A : To use historical currency rates.
Note B : Include the liquidation of investment from Flying Success in December, 2012 and Coretronic (Nanjing) in June 2018. Since the investment amounts has been not remitted to Coretronic Corporation, related cancellation processes for Investment Commission, MOEA were not applicable.
Note C : Greendale Investments Limited received cash dividends amounted to USD 14,065,436.4 for distribution profits from Coretronic Projection (Kunshan) from 2006 to 2007 and had remitted it back to Coretronic Corporation.
Note D : Bigshine (HK)Limited received cash dividends amounted to USD 8,735,525.72 for distribution profits from Coretronic (Shanghai) in 2006 and had remitted it back USD 1,000,000 to Coretronic Corporation.
Note E : Tecpoint received USD 2,795,270 in 2019 from Nano Precision (Suzhou), which was from the liquidation of Nano Precision (Nanjing) in 2006. Tecpoint had remitted it back to Coretronic Corporation.
Note F : Great Pride (HK) Investments Limited received cash dividends amounted to USD 3,565,645 for distribution profits from Nano Display (Suzhou) in 2018 and had remitted USD 3,215,142 back to Coretronic Corporation.
Note G : Nano Precision Investments Limited received cash dividends amounted to USD 2,290,604 for distribution profits from Nano Precision (Nanjing) in 2018 and had remitted USD 2,065,438 back to Coretronic Corporation.
Note H : Dissolution of Nano Display (Suzhou) and merger with Coretronic (Suzhou) were approved by regulatory authority in August, 2019.
Note I : Include the investment amount USD2,966,301 of Nano Precision (Nanjing) which company's registration was cancelled in April, 2019. The investment amount cancellation was approved by MOEA.
Note J : To use the currency rate 1 USD =29.98 NTD as of December 31, 2019.

ATTACHMENT 8-1 (Investment in Mainland China as of December 31, 2019)
(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, 2019	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2019	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized(Note A)	Carrying value as of December 31, 2019(Note A)	Accumulated inward remittance of earnings as of December 31, 2019
					Outflow	Inflow						
Young Optics (Kunshan)	Research and development, manufacturing of optics engine and related optics electronic equipment	$727,119 (USD 22,200,000) (Note D and Note E)	Indirect investment from the third region (Best Alpha and Grace China)	$164,450 (USD 5,000,000)	$-	$-	$164,450 (USD 5,000,000)	$23,828 (USD 761,046)	100.00%	$23,705 (USD 757,130)	$1,173,951 (USD 39,157,817)	$74,505 (USD 2,457,289) (Note B and Note J~Note K)
Young Optics (Suzhou)	Research and development, manufacturing of optics engine and related optics electronic equipment	33,951 (USD 1,000,000)	Indirect investment from the third region (Best Alpha)	33,951 (USD 1,000,000)	-	-	33,951 (USD 1,000,000)	10,009 (USD 321,191)	100.00%	10,000 (USD 320,901)	205,533 (USD 6,855,680)	1,328,957 (USD 31,295,415 and RMB 80,635,502) (Note B、Note F~Note I and Note L)

Accumulated investment in Mainland China as of December 31, 2019 (Note B)	Investment amounts authorized by Investment Commission, MOEA (Note B)	Upper limit on investment
$198,401 (USD 6,000,000)	$233,101 (USD 7,020,000)	Note C

Note A：The investments were fully consolidated in accordance with the Regulations.
Note B：To use historical currency rates.
Note C：Young Optics Company has obtained the certificate of being qualified for operating headquarters issued by Industrial Development Bureau, MOEA in June 2018, the upper limit on investment in mainland China pursuant to "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.
Note D：Young Optics (Kunshan) invested USD 9,800 thousand through capitalization of earnings in 2007. Best Alpha Investments Limited invested USD 2,300 thousand.
Note E：Young Optics (Kunshan) invested USD 1,300 thousand through capitalization of earnings in April 2009. Grace China Investments Limited invested USD 824,850. Best Alpha Investments Limited invested USD 2,975,150.
Note F：Best Alpha Investments Limited received cash dividends amounted to USD 20,235,299 for distribution profits from Young Optics (Suzhou) in 2011 and had remitted it back to Young Optics.
Note G：Best Alpha Investments Limited received cash dividends amounted to RMB 27,691,452 and USD 4,509,641 for distribution profits from Young Optics (Suzhou) in 2014. The RMB 24,922,307 of them had been remitted back to Young Optics.
Note H：Best Alpha Investments Limited received cash dividends amounted to RMB 52,944,050 for distribution profits from Young Optics (Suzhou) in 2015 and had remitted it back to Young Optics.
Note I：Best Alpha Investments Limited received cash dividends amounted to USD 4,528,402 for distribution profits from Young Optics (Suzhou) in 2017 and had remitted it back to Young Optics.
Note J：Best Alpha Investments Limited received cash dividends amounted to USD 603,264 for distribution profits from Young Optics (Kunshan) in 2017 and had remitted it back to Young Optics.
Note K：Grace China Investments Limited received cash dividends amounted to USD 1,854,025 for distribution profits from Young Optics (Kunshan) in 2017 and had remitted it back to Young Optics.
Note L：Best Alpha Investments Limited received cash dividends amounted to USD 6,531,714 for distribution profits from Young Optics (Suzhou) in 2018 and had remitted it back to Young Optics.

ATTACHMENT 8-2 (Investment in Mainland China as of December 31, 2019)
(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, 2019	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2019	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized(Note A (2))	Carrying value as of December 31, 2019	Accumulated inward remittance of earnings as of December 31, 2019
					Outflow	Inflow						
Optoma China	Marketing and after-sales service of Optoma's technology products in Mainland China	$ 38,412 (USD1,200,000)	Indirect investment from the third region (Modern Smart)	$38,412 (USD1,200,000)	$ -	$ -	$ 38,412 (USD1,200,000)	$(39,532) (-RMB 8,859,185)	100.00%	$(39,532) (-RMB 8,859,185) Note (A.(2)、E)	$52,220 RMB 12,151,213	$ -

Accumulated investment in Mainland China as of December 31, 2019 (Note B)	Investment amounts authorized by Investment Commission, MOEA (Note B)	Upper limit on investment (Note C)
$38,412 (USD1,200,000)	$176,798 (USD5,900,000) (Note D)	$353,798

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 audited by the CPA of the parent company in Taiwan.

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

Note B : To use historical currency rates.

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

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

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

ATTACHMENT 9 (Financial instrument and derivative transaction as of December 31, 2019)

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

Investment company	Financial Statement Account	Financial Product	Type	Contract expiry date	Contract amount	Book value	Fair value	Note
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	From Jan, 2020 to Mar, 2020	USD 440,500,000	$ (123,450)	$ (123,450)	Note A
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From Jan, 2020 to Feb, 2020	USD 337,000,000	54,922	54,922	Note A
Champ Vision Display	Financial assets at fair value through profit or loss-current	Forward cross currency contract	Selling USD	Jan, 2020	USD 4,000,000	1,025	1,025	Note K
Coretronic (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From Jan, 2020 to Sep, 2020	USD 41,000,000	8,622	8,622	Note B
Nano Precision (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From Jan, 2020 to Sep, 2020	USD 19,000,000	3,592	3,592	Note C
Optoma Corporation	Financial liabilities at fair value through profit or loss-current	Forward cross currency contract	—	From Jan, 2020 to Feb, 2020	USD 30,500,000	(7,127)	(7,127)	Note C
Optoma Europe	Financial liabilities at fair value through profit or loss-current	Forward foreign exchange contract	Sell GBP/Buy USD	From Jan, 2020 to Feb, 2020	USD 11,500,000	(5,312)	(5,312)	Note E
Optoma USA	Financial liabilities at fair value through profit or loss-current	Forward foreign exchange contract	Sell CAD/Buy USD	From Jan, 2020 to May, 2020	CAD 2,100,000	(1,059)	(1,059)	Note F
Dynamic Time	Derivative financial assets for hedging-current	Forward foreign exchange contract	Sell GBP/Buy USD	Jan, 2020	GBP 5,500,000	4,207	4,207	Note G

Note A : Coretronic Corporation entered into forward foreign exchange contracts and acquired realized profit amounted to NT$75,127 thousands for the year ended December 31, 2019.

Note B : Associate Coretronic (Suzhou) entered into forward foreign exchange contracts and acquired realized loss amounted to NT$-9,525 thousands for the year ended December 31, 2019.

Note C : Nano Precision (Suzhou) entered into forward foreign exchange contracts and acquired realized loss amounted to NT$-1,266 thousands for the year ended December 31, 2019.

Note D : Optoma Corporation entered into forward foreign exchange contracts and acquired realized profit amounted to NT$7,014 thousands for the year ended December 31, 2019.

Note E : Associate Optoma Europe entered into forward foreign exchange contracts and acquired realized profit amounted to NT$19,398 thousands for the year ended December 31, 2019.

Note F : Associate Optoma USA entered into forward foreign exchange contracts and acquired realized profit amounted to NT$333 thousands for the year ended December 31, 2019.

Note G : Associate Dynamic Time entered into forward foreign exchange contracts and acquired realized profit amounted to NT$1,913 thousands for the year ended December 31, 2019.

Note H : Associate Coretronic (Ningbo) entered into forward foreign exchange contracts and acquired realized profit amounted to NT$2,467 thousands for the year ended December 31, 2019.

Note I : Associate Coretronic Display (Suzhou) entered into forward foreign exchange contracts and acquired realized loss amounted to NT$-64 thousands for the year ended December 31, 2019.

Note J : Associate Coretronic Optotech (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT$404 thousands for the year ended December 31, 2019.

Note K : Subsidiary Champ Vision Display Inc. entered into forward foreign exchange contracts and acquired realized loss amounted to NT$-299 thousands for the year ended December 31, 2019.

ATTACHMENT 10 (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 years ended December 31, 2019.)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Marketable Securities Type and Name	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal				December 31, 2019	
					Units / shares	Amount	Units / shares	Amount	Units / shares	Selling Price	Carrying amount	Gain (Loss) from disposal (Note)	Units / shares	Amount
Young Optics (Kunshan)	RMB Structured Deposit of Liduoduo	Financial assets measured at amortized cost-current	Shanghai Pudong Development Bank	-	-	-	-	RMB 85,000,000	-	-	RMB 85,000,000	RMB 764,282	-	-
Young Optics (Kunshan)	RMB to Public Structured Deposits	Financial assets measured at amortized cost-current	Shanghai Pudong Development Bank	-	-	-	-	RMB 90,000,000	-	-	RMB 90,000,000	RMB 766,727	-	-
Young Optics (Suzhou)	RMB Structured Deposit of Liduoduo	Financial assets measured at amortized cost-current	Shanghai Pudong Development Bank	-	-	-	-	RMB 60,000,000	-	-	RMB 60,000,000	RMB 540,998	-	-

Note : To be recognized in interest revenue.