Chroma ATE Inc. and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2017 and 2016 and Independent Auditors' Review Report

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Chroma ATE Inc.

We have reviewed the accompanying consolidated balance sheets of Chroma ATE Inc. and its subsidiaries (the "Group") as of September 30, 2017 and 2016, the consolidated statements of comprehensive income for the three months and the nine months ended September 30, 2017 and 2016, and the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2017 and 2016. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

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

The financial statements of some minor subsidiaries that were included in the consolidated financial statements were unreviewed. As of September 30, 2017 and 2016, the unreviewed assets were 26.80% (NT$5,806,820 thousand) and 21.22% (NT$3,823,875 thousand), respectively, of the consolidated assets, and the unreviewed liabilities were 27.13% (NT$2,527,641 thousand) and 13.99% (NT$1,086,506 thousand), respectively, of the consolidated liabilities. The unreviewed comprehensive (loss) income for the three months ended September 30, 2017 and 2016 were 23.94% (NT$210,235 thousand) and (0.29%) (NT$(1,405) thousand), respectively, of the consolidated comprehensive income; and those of the nine months ended September 30, 2017 and 2016 were 12.38% (NT$184,715 thousand) and (2.95%) (NT$(33,477) thousand), respectively, of the consolidated comprehensive income. In addition, as disclosed in Note 15 to the financial statements, the carrying values of some investments accounted for using equity method were 0.52% (NT$113,083 thousand) and 0.57% (NT$101,883 thousand) of the consolidated assets as of September 30, 2017 and 2016, respectively; and the related shares of comprehensive income of associates and joint ventures for the three months ended September 30, 2017 and 2016 were 0.65% (NT$5,677 thousand) and 0.28% (NT$1,356 thousand), respectively, of the consolidated comprehensive income; and those for the nine months ended September 30, 2017 and 2016 were 0.47% (NT$7,076 thousand) and 0.57% (NT$6,418 thousand), respectively, of the consolidated comprehensive income. These investment amounts were calculated and disclosed on the basis of the unreviewed financial statements of the investees as of and for the same reporting periods as those of the Corporation. Further, as disclosed in Note 34 to the consolidated financial statements, other information on the Corporation's minor subsidiaries and other investees accounted for by the equity method was disclosed on the basis of the unreviewed financial statements as of and for the same reporting periods as those of the Corporation.

Based on our reviews, except for such adjustments, if any, that might have been determined to be necessary had the above investment amounts and related additional disclosures been based on reviewed financial statements, we are not aware of any material modifications that should be made to the consolidated financial statements of Chroma ATE Inc. and its subsidiaries referred to above for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission.

Deloitte & Touche

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 2, 2017

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2017 (Reviewed)		December 31, 2016 (Audited)		September 30, 2016 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 4,094,959	19	$ 3,149,970	17	$ 2,273,006	13
Financial assets at fair value through profit or loss - current (Note 7)	8,927	-	9,161	-	11,584	-
Available-for-sale financial assets - current (Note 8)	1,541,789	7	2,291,504	12	2,613,213	14
Debt investments with no active market - current (Notes 10 and 31)	1,115,727	5	378,515	2	380,736	2
Notes receivable	131,389	1	61,769	-	110,299	1
Trade receivables, net (Note 11)	3,633,656	17	2,988,773	16	3,082,602	17
Trade receivables - related parties (Notes 11 and 30)	67,748	-	7,890	-	10,711	-
Construction contracts receivable (Note 12)	226,831	1	214,816	1	176,669	1
Inventories (Note 13)	2,401,021	11	1,906,496	10	1,825,874	10
Prepayments	752,740	3	76,076	1	83,359	-
Other current assets	113,515	1	127,722	1	148,190	1
Total current assets	14,088,302	65	11,212,692	60	10,716,243	59
NON-CURRENT ASSETS						
Available-for-sale financial assets - non-current (Note 8)	258,900	1	314,233	2	300,104	2
Financial assets measured at cost - non-current (Note 9)	194,971	1	198,649	1	198,396	1
Investments accounted for using equity method (Note 15)	631,115	3	641,497	4	617,367	4
Property, plant and equipment (Notes 16 and 31)	2,647,413	12	2,714,127	15	2,714,489	15
Goodwill (Note 17)	216,654	1	220,236	1	218,634	1
Other intangible assets	5,070	-	7,267	-	8,049	-
Deferred tax assets	217,880	1	220,064	1	190,866	1
Prepayments for land and equipment	3,273,848	15	3,035,154	16	2,996,139	17
Refundable deposits	27,970	-	20,045	-	25,858	-
Prepayments for investments	73,021	1	20,000	-	-	-
Other non-current assets	32,169	-	28,814	-	30,513	-
Total non-current assets	7,579,011	35	7,420,086	40	7,300,415	41
TOTAL	$ 21,667,313	100	$ 18,632,778	100	$ 18,016,658	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 31)	$ 1,567,600	7	$ 196,705	1	$ 596,280	3
Short-term bills payable (Note 18)	420,000	2	-	-	-	-
Notes payable	87,151	-	55,511	-	111,222	1
Notes payable - related parties (Note 30)	8,063	-	2,595	-	1,779	-
Trade payables	1,862,289	9	1,976,229	11	1,674,579	9
Trade payables - related parties (Note 30)	6,491	-	11,813	-	5,412	-
Construction contracts payable (Note 12)	830,760	4	229,858	1	232,999	1
Other payables (Note 20)	827,838	4	853,070	5	707,032	4
Current tax liabilities	207,791	1	264,461	1	211,431	1
Receipts in advance	943,864	4	290,774	2	93,920	1
Current portion of long-term borrowings (Notes 18 and 31)	1,213,744	6	815,317	4	815,441	5
Other current liabilities	44,521	-	27,078	-	73,712	-
Total current liabilities	8,020,112	37	4,723,411	25	4,523,807	25
NON-CURRENT LIABILITIES						
Bonds payable (Note 19)	228,442	1	1,397,140	8	1,545,244	8
Long-term borrowings (Notes 18 and 31)	645,223	3	1,368,085	7	1,369,468	8
Deferred tax liabilities	261,708	1	187,170	1	183,996	1
Net defined benefit liabilities	160,967	1	168,266	1	144,383	1
Guarantee deposits received	842	-	855	-	847	-
Total non-current liabilities	1,297,182	6	3,121,516	17	3,243,938	18
Total liabilities	9,317,294	43	7,844,927	42	7,767,745	43
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 22 and 26)						
Ordinary share capital	4,080,513	19	3,898,872	21	3,833,732	21
Advance receipts for share capital	47,683	-	-	-	74,513	1
Capital surplus	3,025,971	14	1,960,159	11	1,765,142	10
Retained earnings						
Legal reserve	1,896,570	9	1,724,576	9	1,724,576	10
Special reserve	86,888	-	86,888	-	86,888	-
Unappropriated earnings	3,107,962	14	2,923,811	16	2,567,959	14
Total retained earnings	5,091,420	23	4,735,275	25	4,379,423	24
Other equity	(64,839)	-	58,035	-	58,558	-
Treasury shares	(35,714)	-	(35,714)	-	(35,714)	-
Total equity attributable to owners of the Corporation	12,145,034	56	10,616,627	57	10,075,654	56
NON-CONTROLLING INTERESTS	204,985	1	171,224	1	173,259	1
Total equity	12,350,019	57	10,787,851	58	10,248,913	57
TOTAL	$ 21,667,313	100	$ 18,632,778	100	$ 18,016,658	100

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

(With Deloitte & Touche review report dated November 2, 2017)

CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 12 and 30)								
Sales	$ 3,982,167	101	$ 3,592,113	101	$ 9,832,822	102	$ 8,944,102	101
Less: Sales returns	(1,088)	-	(3,896)	-	(1,222)	-	(5,794)	-
Sales allowances	(54,519)	(1)	(31,226)	(1)	(145,013)	(2)	(88,973)	(1)
Net sales revenues	3,926,560	100	3,556,991	100	9,686,587	100	8,849,335	100
OPERATING COSTS (Notes 13, 23 and 30)	1,948,776	50	1,916,436	54	4,892,734	50	4,731,921	54
GROSS PROFIT	1,977,784	50	1,640,555	46	4,793,853	50	4,117,414	46
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	(26)	-	(46)	-	-	-	-	-
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	-	-	-	-	92	-	266	-
REALIZED GROSS PROFIT	1,977,758	50	1,640,509	46	4,793,945	50	4,117,680	46
OPERATING EXPENSES (Note 23)								
Selling and marketing expenses	476,264	12	434,554	12	1,347,110	14	1,196,930	13
General and administrative expenses	192,095	5	192,386	6	555,770	6	532,517	6
Research and development expenses	328,006	8	280,480	8	899,349	9	762,026	9
Total operating expenses	996,365	25	907,420	26	2,802,229	29	2,491,473	28
PROFIT FROM OPERATIONS	981,393	25	733,089	20	1,991,716	21	1,626,207	18
NON-OPERATING INCOME AND EXPENSES								
Finance costs (Note 23)	(5,494)	-	(10,169)	-	(15,955)	-	(30,610)	-
Share of profit of associates and joint ventures	24,956	1	7,519	-	41,234	1	29,403	-
Interest income	5,646	-	3,523	-	18,228	-	13,845	-
Rental income (Note 30)	6,012	-	5,395	-	17,924	-	18,595	-
Dividend income	17,425	1	30,163	1	24,471	-	48,409	1
Other income	10,446	-	5,514	-	24,582	-	13,224	-
Gain on disposal of property, plant and equipment, net	3,007	-	422	-	4,594	-	-	-
Gain on disposal of investments, net	4,391	-	1,521	-	12,848	-	1,635	-
Exchange gain, net	14,450	-	-	-	-	-	-	-
Valuation gain on financial assets (liabilities) at fair value through profit or loss, net	268	-	517	-	1,901	-	4,359	-
Other expenses	(748)	-	(6,321)	-	(1,795)	-	(15,110)	-
Loss on disposal of property, plant and equipment, net	-	-	-	-	-	-	(1,305)	-
Exchange loss, net	-	-	(87,054)	(2)	(76,447)	(1)	(108,201)	(1)
Total non-operating income and expenses	80,359	2	(48,970)	(1)	51,585	-	(25,756)	-

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CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	$ 1,061,752	27	$ 684,119	19	$ 2,043,301	21	$ 1,600,451	18
INCOME TAX EXPENSE (Note 24)	195,275	5	117,234	3	384,713	4	290,068	3
NET PROFIT FOR THE PERIOD	866,477	22	566,885	16	1,658,588	17	1,310,383	15
OTHER COMPREHENSIVE INCOME (LOSS), NET								
Items that will not be reclassified subsequently to profit or loss:								
Share of the other comprehensive income of associates and joint ventures accounted for using equity method	-	-	-	-	251	-	(736)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	6,046	-	(69,509)	(2)	(94,067)	(1)	(108,454)	(1)
Unrealized gain (loss) on available-for-sale financial assets	2,368	-	(8,485)	-	(63,674)	(1)	(53,711)	(1)
Share of the other comprehensive income of associates and joint ventures accounted for using equity method	3,244	-	(4,918)	-	(9,220)	-	(14,331)	-
Total other comprehensive loss	11,658	-	(82,912)	(2)	(166,710)	(2)	(177,232)	(2)
TOTAL COMPREHENSIVE INCOME	$ 878,135	22	$ 483,973	14	$ 1,491,878	15	$ 1,133,151	13
NET PROFIT ATTRIBUTED TO:								
Owners of the Corporation	$ 866,069	22	$ 574,323	16	$ 1,670,319	17	$ 1,338,174	15
Non-controlling interests	408	-	(7,438)	-	(11,731)	-	(27,791)	-
	$ 866,477	22	$ 566,885	16	$ 1,658,588	17	$ 1,310,383	15
COMPREHENSIVE INCOME ATTRIBUTED TO:								
Owners of the Corporation	$ 877,604	22	$ 495,182	14	$ 1,507,117	15	$ 1,165,462	13
Non-controlling interests	531	-	(11,209)	-	(15,239)	-	(32,311)	-
	$ 878,135	22	$ 483,973	14	$ 1,491,878	15	$ 1,133,151	13
EARNINGS PER SHARE (NT$; Note 25)								
Basic	$ 2.15		$ 1.52		$ 4.23		$ 3.54	
Diluted	$ 2.09		$ 1.42		$ 4.07		$ 3.31	

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

(With Deloitte & Touche review report dated November 2, 2017)

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CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Corporation														
				Retained Earnings				Other Equity							
	Ordinary Share Capital	Advance Receipts for Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) from Available-for-sale Financial Assets	Unearned Employee Benefit	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2016	$ 3,791,699	$ -	$ 1,302,269	$ 1,600,920	$ 86,888	$ 2,264,377	$ 3,952,185	$ 127,968	$ 271,697	$ -	$ 399,665	$ (35,714)	$ 9,410,104	$ 121,192	$ 9,531,296
Appropriation of 2015 earnings															
Legal reserve	-	-	-	123,656	-	(123,656)	-	-	-	-	-	-	-	-	-
Cash dividends - NT$2.4 per share	-	-	-	-	-	(910,200)	(910,200)	-	-	-	-	-	(910,200)	-	(910,200)
Other changes in capital surplus															
Change in capital surplus from investments in associates and joint ventures accounted for using equity method	-	-	25,608	-	-	-	-	-	-	-	-	-	25,608	-	25,608
Net profit (loss) for the nine months ended September 30, 2016	-	-	-	-	-	1,338,174	1,338,174	-	-	-	-	-	1,338,174	(27,791)	1,310,383
Other comprehensive income (loss) for the nine months ended September 30, 2016	-	-	-	-	-	(736)	(736)	(118,265)	(53,711)	-	(171,976)	-	(172,712)	(4,520)	(177,232)
Total comprehensive income (loss) for the nine months ended September 30, 2016	-	-	-	-	-	1,337,438	1,337,438	(118,265)	(53,711)	-	(171,976)	-	1,165,462	(32,311)	1,133,151
Conversion of convertible bonds	7,503	28,496	196,637	-	-	-	-	-	-	-	-	-	232,636	-	232,636
Adjustment of capital surplus for corporation's cash dividends received by subsidiaries	-	-	4,545	-	-	-	-	-	-	-	-	-	4,545	-	4,545
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	83,745	83,745
Share-based payment transaction	34,530	46,017	236,083	-	-	-	-	-	-	(169,131)	(169,131)	-	147,499	633	148,132
BALANCE, SEPTEMBER 30, 2016	$ 3,833,732	$ 74,513	$ 1,765,142	$ 1,724,576	$ 86,888	$ 2,567,959	$ 4,379,423	$ 9,703	$ 217,986	$ (169,131)	$ 58,558	$ (35,714)	$ 10,075,654	$ 173,259	$ 10,248,913
BALANCE, JANUARY 1, 2017	$ 3,898,872	$ -	$ 1,960,159	$ 1,724,576	$ 86,888	$ 2,923,811	$ 4,735,275	$ (24,914)	$ 232,901	$ (149,952)	$ 58,035	$ (35,714)	$ 10,616,627	$ 171,224	$ 10,787,851
Appropriation of 2016 earnings															
Legal reserve	-	-	-	171,994	-	(171,994)	-	-	-	-	-	-	-	-	-
Cash dividends - NT$ 3.3 per share	-	-	-	-	-	(1,314,425)	(1,314,425)	-	-	-	-	-	(1,314,425)	-	(1,314,425)
Other changes in capital surplus															
Change in capital surplus from investments in associates and joint ventures accounted for using equity method	-	-	1,483	-	-	-	-	-	-	-	-	-	1,483	-	1,483
Net profit (loss) for the nine months ended September 30, 2017	-	-	-	-	-	1,670,319	1,670,319	-	-	-	-	-	1,670,319	(11,731)	1,658,588
Other comprehensive income (loss) for the nine months ended September 30, 2017	-	-	-	-	-	251	251	(99,745)	(63,708)	-	(163,453)	-	(163,202)	(3,508)	(166,710)
Total comprehensive income (loss) for the nine months ended September 30, 2017	-	-	-	-	-	1,670,570	1,670,570	(99,745)	(63,708)	-	(163,453)	-	1,507,117	(15,239)	1,491,878
Conversion of convertible bonds	176,799	4,301	992,644	-	-	-	-	-	-	-	-	-	1,173,744	-	1,173,744
Adjustment of capital surplus for corporation's cash dividends received by subsidiaries	-	-	6,170	-	-	-	-	-	-	-	-	-	6,170	-	6,170
Share-based payment transaction	4,965	43,382	65,515	-	-	-	-	-	-	40,579	40,579	-	154,441	-	154,441
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-	(123)	(123)	-	(123)
Cancelation of treasury shares	(123)	-	-	-	-	-	-	-	-	-	-	123	-	-	-
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	49,000	49,000
BALANCE, SEPTEMBER 30, 2017	$ 4,080,513	$ 47,683	$ 3,025,971	$ 1,896,570	$ 86,888	$ 3,107,962	$ 5,091,420	$ (124,659)	$ 169,193	$ (109,373)	$ (64,839)	$ (35,714)	$ 12,145,034	$ 204,985	$ 12,350,019

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

(With Deloitte & Touche review report dated November 2, 2017)

CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,043,301	$ 1,600,451
Adjustments for:		
Depreciation	233,853	253,550
Amortization	2,361	2,067
Provision for bad debts expense	11,464	8,996
Net gain on fair value changes of financial assets (liabilities) designated as at fair value through profit or loss	(1,901)	(4,359)
Finance costs	15,955	30,610
Interest income	(18,228)	(13,845)
Dividend income	(24,471)	(48,409)
Compensation costs of share-based payment	94,088	54,608
Share of profit of associates and joint ventures accounted for using equity method	(41,234)	(29,403)
(Gain) loss on disposal of property, plant and equipment, net	(4,594)	1,305
Gain on disposal of investments	(12,848)	(1,635)
(Reversal of impairment) impairment loss on non-financial assets	(45,340)	36,418
Realized gain on transactions with associates and joint ventures	(92)	(266)
Exchange loss, net	69,520	60,609
Other expenses	-	12,502
Net changes in assets and liabilities		
Financial assets held for trading	-	(229)
Notes receivable	(69,620)	(29,278)
Trade receivables	(788,949)	(681,748)
Construction contracts receivable	(12,015)	(806)
Inventories	(506,348)	(302,128)
Prepayments	(676,664)	78
Other current assets	42,540	(22,521)
Notes payable	37,108	90,517
Trade payables	(108,163)	323,352
Construction contracts payable	600,902	(22,219)
Other payables	(18,959)	54,005
Receipts in advance	653,090	(136,035)
Other current liabilities	17,443	32,817
Net defined benefit liabilities	(7,299)	(5,308)
Cash generated from operations	1,484,900	1,263,696
Income tax paid	(396,138)	(285,227)
Net cash generated from operating activities	1,088,762	978,469

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CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through profit or loss	$ 1,000	$ -
Payments to acquire available-for-sale financial assets	(556,000)	(650,000)
Proceeds from disposal of available-for-sale financial assets	1,310,211	100,114
Payments to acquire debt investments with no active market	(745,255)	-
Proceeds from disposal of debt investments with no active market	-	165,006
Proceeds from disposal of financial assets measured at cost	-	1,521
Cash returned of capital reduction of financial assets measured at cost	23,111	9,587
Payments to acquire investments accounted for using equity method	-	(82,821)
Increase in prepayments for investments	(73,021)	-
Payments to acquire property, plant and equipment	(375,332)	(1,013,670)
Proceeds from disposal of property, plant and equipment	25,062	27,398
(Increase) decrease in refundable deposits	(7,925)	1,476
Net cash outflows from business combination	-	(56,249)
(Increase) decrease in other non-current assets	(3,517)	15,029
Interest received	21,372	16,370
Dividends received	68,693	107,212
Net cash used in investing activities	(311,601)	(1,359,027)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	1,376,171	276,172
Increase in short-term bills payable	420,000	-
Proceeds from long-term borrowings	500,000	770,000
Repayments of long-term borrowings	(814,658)	(11,252)
Increase in guarantee deposits	-	2
Cash dividends paid	(1,313,093)	(907,953)
Exercise of employee stock options	58,460	63,631
Payments for buy-back of ordinary shares	(123)	-
Interest paid	(29,396)	(26,311)
Increase in non-controlling interests	49,000	53,225
Proceeds from issuance of employee restricted shares	1,850	31,000
Net cash generated from financing activities	248,211	248,514
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(80,383)	(84,239)

(Continued)

CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2017	2016
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 944,989	$ (216,283)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,149,970	2,489,289
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 4,094,959	$ 2,273,006

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

(With Deloitte & Touche review report dated November 2, 2017) (Concluded)

1. GENERAL INFORMATION

Chroma ATE Inc. (the "Corporation") was incorporated in the Republic of China (ROC) in November 1984. The Corporation mainly designs, assembles, calibrates, manufactures, sells, repairs and maintains software/hardware for computers and peripherals, computerized automatic test systems, electronic test instruments, signal generators, power supplies, telecom power supplies, etc. as well as serves as an agent to sell these products. The Corporation's shares have been listed on the Taiwan Stock Exchange since December 21, 1996.

The consolidated financial statements are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the board of directors and issued on November 2, 2017.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group's accounting policies:

1) Amendment to IFRS 2 "Share-Based Payment" in Annual Improvements to IFRSs of 2010-2012 Cycle

The amended IFRS 2 changes the definitions of "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition". The amendment clarifies that a performance target can be based on the operations (i.e. a non-market condition) of the Group or another entity in the same group or the market price of the equity instruments of the Group or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Group as a whole or to some part of it (e.g. a division); and that the period for achieving a performance condition must not extend beyond the end of the related service period. In addition, a share market index target is not a performance condition because it not only reflects the performance of the Group, but also of other entities outside the Group. The share-based payment arrangements with market conditions, non-market conditions or non-vesting conditions are accounted for differently, and the aforementioned amendment should be applied prospectively to those share-based payments granted on or after January 1, 2017. Refer to Note 26 for the information on the share-based payments granted in 2017.

2) Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers

The amendments include additions of several accounting items and requirements for disclosures of impairment of non-financial assets as a consequence of the IFRSs endorsed and issued into effect by the FSC. In addition, as a result of the post implementation review of IFRSs in Taiwan, the amendments also include emphasis on certain recognition and measurement considerations and add requirements for disclosures of related party transactions and goodwill.

The amendments stipulate that other companies or institutions of which the chairman of the board of directors or president serves as the chairman of the board of directors or the president, or is the spouse or second immediate family of the chairman of the board of directors or president of the Corporation are deemed to have a substantive related party relationship, unless it can be demonstrated that no control, joint control, or significant influence exists. Furthermore, the amendments require the disclosure of the names of the related parties and the relationship with whom the Corporation has significant transaction. If the transaction or balance with a specific related party is 10% or more of the Corporation's respective total transaction or balance, such transaction should be separately disclosed by the name of each related party.

The amendments also require additional disclosure if there is a significant difference between the actual operation after business combination and the expected benefit on acquisition date.

When the amendments are applied retrospectively from January 1, 2017, the disclosures of related party transactions are enhanced. Refer to Note 30 for related disclosures.

b. The Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC for application starting from 2018

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note 2
Amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance contracts"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendments to IFRS 15 "Clarifications to IFRS 15 Revenue from Contracts with Customers"	January 1, 2018
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of investment property"	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 12 is retrospectively applied for annual periods beginning on or after January 1, 2017; the amendment to IAS 28 is retrospectively applied for annual periods beginning on or after January 1, 2018.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments" and related amendment

Recognition, measurement and impairment of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Group's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for the above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

Based on an analysis of the Group's financial assets as at September 30, 2017 on the basis of the facts and circumstances that exist at that date, the Group has performed a preliminary assessment of the impact of IFRS 9 to the classification and measurement of financial assets as follows:

a) Listed shares, emerging market shares, and unlisted shares classified as available-for-sale will be classified as at fair value through profit or loss and designated as at fair value through other comprehensive income. When it is designated as at fair value through other comprehensive income, the fair value gains or losses accumulated in other equity will be transferred directly to retained earnings instead of being reclassified to profit or loss on disposal. Besides, unlisted shares measured at cost will be measured at fair value instead;

b) Mutual funds classified as available-for-sale will be classified as at fair value through profit or loss because the contractual cash flows are not solely payments of principal and interest on the principal outstanding and they are not equity instruments;

c) Debt investments classified as debt investments with no active market and measured at amortized cost will be classified as measured at amortized cost under IFRS 9 because on initial recognition, the contractual cash flows that are solely payments of principal and interest on the principal outstanding and these investments are held within a business model whose objective is to collect the contractual cash flows.

IFRS 9 requires impairment loss on financial assets to be recognized by using the "Expected Credit Losses Model". The loss allowance is required for financial assets measured at amortized cost, investments in debt instruments measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Group take into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

2) IFRS 15 "Revenue from Contracts with Customers" and related amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations.

When applying IFRS 15, the Group recognizes revenue by applying the following steps:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognize revenue when the Group satisfies a performance obligation.

Except for the above impact, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 9 "Prepayment Features with Negative Compensation"	January 1, 2019
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 16 "Leases"	January 1, 2019
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"	January 1, 2019
IFRIC 23 "Uncertainty Over Income Tax Treatments"	January 1, 2019

Note: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

IFRS 16 "Leases"

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within financing activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Group as lessor.

When IFRS 16 becomes effective, the Group may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

Except for the above impact, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Croup's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC. Disclosure information included in the consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The basis of preparing the consolidated financial statements is consistent with the consolidated financial statements for the year ended December 31, 2016.

Refer to Note 14, Table 7 and Table 8 for the detailed information of subsidiaries, including the percentage of ownership and main business.

d. Other significant accounting policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2016. For the summary of other significant accounting policies, please refer to the Group's consolidated financial statements for the year ended December 31, 2016.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represent the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2016.

6. CASH AND CASH EQUIVALENTS

	September 30, 2017	December 31, 2016	September 30, 2016
Cash on hand	$ 4,575	$ 6,098	$ 4,925
Checking accounts and demand deposits	2,782,783	2,768,658	1,761,540
Cash equivalents			
Time deposits with maturities less than 3 months from date of investments	1,307,601	245,315	426,608
Repurchase agreements collateralized by bonds	-	129,899	79,933
	$ 4,094,959	$ 3,149,970	$ 2,273,006

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2017	December 31, 2016	September 30, 2016
Financial assets held for trading - current			
Non-derivative financial assets			
Domestic listed stocks	$ 8,693	$ 7,453	$ 7,705
Investment in debt instrument	-	983	980
	8,693	8,436	8,685
Derivative instruments			
Call and put option of convertible bonds payable (Note 19)	234	725	2,899
	$ 8,927	$ 9,161	$ 11,584

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	September 30, 2017	December 31, 2016	September 30, 2016
Current			
Open-end beneficiary certificates	$ 1,541,789	$ 2,291,504	$ 2,613,213
Non-current			
Listed stocks	$ 258,900	$ 314,233	$ 300,104

9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	September 30, 2017	December 31, 2016	September 30, 2016
Domestic unlisted common stocks	$ 159,020	$ 162,131	$ 162,131
Foreign unlisted common stocks	25,799	26,366	26,113
Foreign open-end beneficiary certificates	10,152	10,152	10,152
	$ 194,971	$ 198,649	$ 198,396
Classification by measurement of financial instruments			
Available-for-sale financial assets	$ 194,971	$ 198,649	$ 198,396

The above investments were measured at cost less impairment at the balance sheet date. The Group believed the fair value of these investments could not be estimated reliably because the range of reasonable fair value estimates was significant and the probabilities of various estimates could not be reasonably assessed.

In order to expand the market of biotechnology equipment, the Group's board of directors resolved to invest in TFBS Bioscience Inc. of $20,000 thousand in November 2016.

10. DEBT INVESTMENTS WITH NO ACTIVE MARKET - CURRENT

	September 30, 2017	December 31, 2016	September 30, 2016
Time deposits with maturities more than 3 months from date of investments	$ 377,654	$ 372,437	$ 373,164
Pledge deposits	738,073	6,078	7,572
	$ 1,115,727	$ 378,515	$ 380,736

11. TRADE RECEIVABLES

	September 30, 2017	December 31, 2016	September 30, 2016
Trade receivables	$ 3,745,743	$ 3,159,134	$ 3,266,722
Less: Allowance for impairment loss	(112,087)	(170,361)	(184,120)
	3,633,656	2,988,773	3,082,602
Trade receivables - related parties	67,748	7,890	10,711
	$ 3,701,404	$ 2,996,663	$ 3,093,313

The average credit period for sales of goods is 60 to 90 days from the date when the goods were inspected and accepted by customers, and no interest was charged on trade receivables. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date when credit was initially granted to the end of the reporting period. Allowances for impairment loss are based on the estimated irrecoverable amounts determined by reference to past default experience of the counterparties and an analysis of their current financial position.

For the trade receivables balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss, because there was no significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements for these balances.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Customers' limits and scores are reviewed irregularly every year. Most of the trade receivables that are neither past due nor impaired have the best credit score under the external credit scoring system used by the Group.

The aging of receivables was as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Less than 60 days	$ 3,158,315	$ 2,536,446	$ 2,733,682
61-180 days	236,267	396,642	272,689
Over 181 days	351,161	226,046	260,351
	$ 3,745,743	$ 3,159,134	$ 3,266,722

The above aging schedule was based on the past due days from end of credit term.

The aging of receivables that were past due but not impaired was as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Less than 60 days	$ 422,381	$ 381,176	$ 314,327
61-180 days	228,101	385,443	266,175
Over 181 days	262,390	131,886	147,584
	$ 912,872	$ 898,505	$ 728,086

The above aging schedule was based on the past due days from end of credit term.

The movements of the allowance for doubtful trade receivables were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2016	$ 152,272	$ 33,405	$ 185,677
Add: Impairment losses recognized on receivables	879	8,117	8,996
Add: Addition through business combinations (Note 27)	-	1	1
Less: Amounts written off during the period as uncollectible	(4,080)	(8)	(4,088)
Reclassification of impairment loss from collective assessment to individual assessment	4,259	(4,259)	-
Foreign exchange translation gains	(4,291)	(2,175)	(6,466)
Balance at September 30, 2016	$ 149,039	$ 35,081	$ 184,120
Balance at January 1, 2017	$ 135,696	$ 34,665	$ 170,361
Add: Impairment losses recognized on receivables	759	10,705	11,464
Less: Amounts written off during the period as uncollectible	(67,194)	(228)	(67,422)
Reclassification of impairment loss from collective assessment to individual assessment	7,663	(7,663)	-
Foreign exchange translation gains	(1,100)	(1,216)	(2,316)
Balance at September 30, 2017	$ 75,824	$ 36,263	$ 112,087

The allowance for impairment loss individually assessed due to customers were in liquidation or in severe financial difficulties were $75,824 thousand, $135,696 thousand and $149,039 thousand as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively. The Group did not hold any collateral over these balances.

12. CONSTRUCTION CONTRACTS RECEIVABLE (PAYABLE)

	September 30, 2017	December 31, 2016	September 30, 2016
Construction contracts receivable			
Construction costs incurred plus recognized profits (less recognized losses) to date	$ 242,641	$ 217,326	$ 179,554
Less: Progress billings	(15,810)	(2,510)	(2,885)
Due from customers for construction contracts	$ 226,831	$ 214,816	$ 176,669
Construction contracts payable			
Progress billings	$ 990,293	$ 346,218	$ 351,737
Less: Construction costs incurred plus recognized profits less recognized losses to date	(159,533)	(116,360)	(118,738)
Due to customers for construction contracts	$ 830,760	$ 229,858	$ 232,999
Receipts in advance	$ 883,913	$ -	$ 33,935

The Group recognized construction contract revenues of $357,667 thousand and $126,465 thousand for the three months ended September 30, 2017 and 2016, respectively. The Group recognized construction contract revenue of $599,804 thousand and $264,234 thousand for the nine months ended September 30, 2017 and 2016, respectively.

13. INVENTORIES

	September 30, 2017	December 31, 2016	September 30, 2016
Finished goods	$ 566,646	$ 494,715	$ 411,215
Semi-finished products	364,143	342,056	363,847
Work in process	667,153	472,453	429,016
Raw materials	779,199	597,017	621,796
Inventory in transit	23,880	255	-
	$ 2,401,021	$ 1,906,496	$ 1,825,874

The cost of goods sold for the three months and nine months ended September 30, 2017 included the reversal of inventory write-downs of $10,459 thousand and $45,340 thousand, respectively.

The cost of goods sold for the three months and nine months ended September 30, 2016 included inventory write-downs of $14,965 thousand and $36,418 thousand, respectively.

14. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Business	Percentage of Ownership as of September 30, 2017	December 31, 2016	September 30, 2016	Remark
The Corporation	Neworld Electronics Ltd.	Sale and maintenance of electronic test instruments, etc.	100.0	100.0	100.0	
	Chroma Investment Co., Ltd.	Investment	100.0	100.0	100.0	Chroma Investment Co., Ltd. had 1,916 thousand shares of the Corporation's common stock as of September 30, 2017, which accounted for 0.5% of the Corporation's outstanding shares.
	Sensational Holding Ltd.	Investment	100.0	100.0	100.0	
	Chroma ATE Europe B.V.	Sale and maintenance of electronic test instruments, etc.	100.0	100.0	100.0	
	Chroma ATE Inc. ("Chroma USA")	Sale and maintenance of electronic test instruments, etc.	100.0	100.0	100.0	
	Chen Hwa Technology Inc.	Test of inductance, capacitance and resistance equipment and sale of parts.	100.0	100.0	100.0	
	CHI Incorporation Ltd.	Test of inductance, capacitance and resistance equipment and sale of parts.	100.0	100.0	100.0	
	Chroma New Material Corporation	Processing and sale of gold wire.	100.0	100.0	100.0	
	San Eagle Development Corp.	Investment	100.0	100.0	100.0	
	Wei Kuang Automatic Equipment Co., Ltd.	Design, manufacturing, installment and testing of automated factory conveyor systems	100.0	100.0	100.0	
	Testar Electronic Corporation	Testing of LED products	67.2	67.2	67.2	
	Deep Red Holding Co., Ltd.	Investment	100.0	100.0	100.0	
	Chroma Japan Corp.	Sale and maintenance of electronic test instruments, etc.	100.0	100.0	100.0	
	Chroma Systems Solutions, Inc.	Sale and maintenance of electronic test instruments, etc.	25.0	25.0	25.0	Note 1
	Adivic Technology Co.	Sale and research of RF device	51.0	51.0	51.0	Note 2
	EVT Technology Co., Ltd.	Manufacturing of motorcycles and its parts	53.2	53.2	53.2	
	Quantel Private Ltd.	Sale and maintenance of test instruments, etc.	60.0	60.0	60.0	Note 3
	Innovative Nanotech Incorporated	Monitoring instruments of nanoparticles	100.0	-	-	Note 4
Neworld Electronics Ltd.	Chroma Electronics (Shenzhen) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments.	100.0	100.0	100.0	
	Chroma Electronics (Shanghai) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments.	100.0	100.0	100.0	
Chroma ATE Inc. ("Chroma USA")	Chroma Systems Solutions, Inc.	Sale and maintenance of electronic test instruments, etc.	50.0	50.0	50.0	Note 1
Chen Hwa Technology Inc.	Chroma (Shanghai) Trading Co., Ltd.	International and transit trading, simple commercial processing, commercial consulting services, etc.	100.0	100.0	100.0	
CHI Incorporation Ltd.	Chroma ATE (Suzhou) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments.	100.0	100.0	100.0	
San Eagle Development Corp.	Wei Kuang Mech Eng Inc.	Investment	100.0	100.0	100.0	
Wei Kuang Mech Eng Inc.	Mou Kuan Technologies (Nanjin) Co., Ltd.	Assembly, sale and maintenance of factory conveyors and related systems and rendering after-sales services.	100.0	100.0	100.0	
	Wei Kuang Automatic Equipment (Nanjin) Co., Ltd.	Sale and maintenance of electronic equipment and factory conveyor systems	100.0	100.0	100.0	
	Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Sale and maintenance of electronic equipment and factory conveyor systems	100.0	100.0	100.0	
Deep Red Holding Co., Ltd.	Saject System Technology (Suzhou) Co., Ltd.	Research, development and design of computer network security systems and information management	100.0	100.0	100.0	
EVT Technology Co., Ltd.	Wei Da Electric Vehicle Co., Ltd.	Sale and lease of motorcycles	75.0	75.0	75.0	
Adivic Technology Co.	Adivic Holding Corporation	Sale and research of RF device	100.0	100.0	100.0	

Note 1: The Corporation and the Corporation's subsidiary, Chroma USA, held 75% equity interest in Chroma Systems Solutions, Inc.

Note 2: In April 2017, Adivic Technology Co. decreased its capital by $140,000 thousand to make up for losses and increased its capital by cash injection of $100,000 thousand to strengthen its financial structure. The Corporation's board of directors decided to participate in the capital injection at the same percentage as originally owned. The Corporation's equity interest in Adivic remained the same.

Note 3: To expand its market scale and lay out sales network in Southeast Asia, the Corporation's board of directors resolved to acquire 60% equity interest of Quantel Private Ltd. amounting to SGD3,240 thousand. Quantel Private Ltd. is mainly engaged in the sales of electronic test instruments, etc. In April 2016, Quantel Private Ltd. increased its capital by SGD2,500 thousand to strengthen its financial structure. The Corporation's board of directors resolved to participate proportionally in the capital increase. The Corporation's equity interest in Quantel Private Ltd. remained the same.

Note 4: In response to the demand of new-generation solutions and provide customers with foresighted electronic test service, the Corporation's board of directors resolved in July 2017 to set up Innovative Nanotech Incorporated.

15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2017	December 31, 2016	September 30, 2016
Investments in associates	$ 613,489	$ 623,904	$ 599,779
Investments in joint ventures	17,626	17,593	17,588
	$ 631,115	$ 641,497	$ 617,367

a. Investments in associates

	September 30, 2017		December 31, 2016		September 30, 2016	
	Amount	Percentage of Equity Interest (%)	Amount	Percentage of Equity Interest (%)	Amount	Percentage of Equity Interest (%)
Associates that are not individually material						
Adlink Technology Inc.	$ 518,032	11.3	$ 535,490	11.3	$ 515,484	11.3
Dynascan Technology Corp.	95,457	27.3	88,414	27.3	84,295	27.3
	$ 613,489		$ 623,904		$ 599,779	

Refer to Table 7 "Information on Investees" for the nature of activities, principal place of business and country of incorporation of the associates.

The Group is able to exercise significant influence over Adlink Technology Inc. although the percentage of shares held is less than 20%. Therefore, the Group recognizes the gain and loss under the equity method.

Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

Name of Associates	September 30, 2017	December 31, 2016	September 30, 2016
Adlink Technology Inc.	$ 1,663,703	$ 1,497,088	$ 1,560,794

Except for Adlink Technology Inc., the investments in associate accounted for using equity method and the share of profit or loss and other comprehensive income of those investments for the nine months ended September 30, 2017 and 2016 was based on the associate's financial statements that have not been reviewed.

b. Investments in joint ventures

	September 30, 2017		December 31, 2016		September 30, 2016	
	Amount	Percentage of Equity Interest (%)	Amount	Percentage of Equity Interest (%)	Amount	Percentage of Equity Interest (%)
Joint ventures that are not individually material						
Chih Ho Shun Development Co., Ltd.	$ 17,626	35.0	$ 17,593	35.0	$ 17,588	35.0

Refer to Table 7 "Information on Investees" for the nature of activities, principal place of business and country of incorporation of the joint venture.

For the investment and development plan, "The Action Plan for Developing Land Surrounding the MRT Airport Station to Improve Civilians' Life," the Board of Directors decided to invest jointly with Dynapack International Corporation and HERAN Co., Ltd. to set up Chih Ho Shun Development Co., Ltd. ("Chih Ho Shun"). The Corporation invested $17,500 thousand for a 35% entity interest in Chih Ho Shun but did not have control over this investee.

The investments in joint ventures accounted for using equity method and the share of profit or loss and other comprehensive income of those investments for the nine months ended September 30, 2017 and 2016 was based on the joint ventures' financial statements that have not been reviewed.

16. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2017	December 31, 2016	September 30, 2016
Land	$ 521,550	$ 525,615	$ 525,950
Buildings	1,477,943	1,550,521	1,573,812
Machinery	147,777	187,080	216,015
Miscellaneous equipment	500,143	450,911	398,712
	$ 2,647,413	$ 2,714,127	$ 2,714,489

Except for depreciation recognized, the Group had no significant addition, disposal, and impairment of property, plant and equipment during the three months ended September 30, 2017 and 2016 and nine months ended September 30, 2017 and 2016. The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Building	
Primary buildings	55 years
Mechanical and electrical equipment	10 years
Clean room equipment	10 years
Others	2-50 years
Machinery	2-6 years
Miscellaneous equipment	2-16 years

Refer to Note 31 for property, plant and equipment have been pledged to secure borrowings of the Group.

17. GOODWILL

	For the Nine Months Ended September 30	
	2017	2016
Cost		
Balance, beginning of the period	$ 220,236	$ 196,052
Acquisition through business combination (Note 27)	-	25,219
Net effect of exchange differences	(3,582)	(2,637)
Balance, end of the period	$ 216,654	$ 218,634

Refer to Note 17 in the consolidated financial statements for the year ended December 31, 2016 for goodwill impairment assessment. There was no significant evidence indicating impairment of goodwill as of September 30, 2017.

18. BORROWINGS

a. Short-term borrowings

	September 30, 2017	December 31, 2016	September 30, 2016
Secured borrowings			
Bank loans (1)	$ 100,000	$ 25,000	$ 25,000
Unsecured borrowings			
Bank loans (2)	1,467,600	171,705	571,280
	$ 1,567,600	$ 196,705	$ 596,280

1) Secured by the Group's property, plant and equipment (refer to Note 31). As of September 30, 2017, December 31, 2016 and September 30, 2016, the interest rate on the bank loans was 1.04%, 1.32% and 1.32% per annum, respectively.

2) As of September 30, 2017, December 31, 2016 and September 30, 2016, the interest rate on the bank loans was 0.85%-4.25%, 1.23%-3.50% and 0.90%-3.50% per annum, respectively.

b. Short-term bills payable

	September 30, 2017	December 31, 2016	September 30, 2016
Commercial papers	$ 420,000	$ -	$ -
Interest rate (%)	0.87%	-	-
Due date	2017.10.06	-	-

c. Long-term borrowings

	September 30, 2017	December 31, 2016	September 30, 2016
Secured borrowings			
Bank loans (1) (Note 31)	$ 153,459	$ 176,058	$ 176,953
Unsecured borrowings			
Syndicated bank loans (2)	1,200,000	2,000,000	2,000,000
Bank loans (3)	505,508	7,344	7,956
	1,858,967	2,183,402	2,184,909
Less: Current portions	1,213,744	815,317	815,441
	$ 645,223	$ 1,368,085	$ 1,369,468

1) Secured by the Group's debt investments with no active market and property, plant and equipment. The final repayment period of those bank loans will be due in November 2019 to April 2025. As of September 30, 2017, December 31, 2016 and September 30, 2016, the effective interest rate on the bank loans were 0.90%-8.88%, 0.90%-10.88% and 0.90%-8.88% per annum, respectively.

2) On August 30, 2012, the Corporation applied to E.SUN and other banks for syndicated bank loans with $2,000,000 thousand credit line to pay each installment of "The Action Plan for Developing Land Surrounding the MRT Airport Station to Improve Civilians Life" (refer to Note 32). The Corporation borrowed $700,000 thousand in September 2013 to pay the second installment, $530,000 thousand in November 2015 to pay the first part of the third installment and $770,000 thousand in July 2016 to pay the remaining part of the third installment. The syndicated bank loan will be repaid from March 2017 to March 2018 in three equal semiannual installments ($400,000 thousand per installment), the remaining $800,000 thousand will be repaid on the due date, September 3, 2018, and the interest is paid monthly. As of September 30, 2017, December 31, 2016 and September 30, 2016, the interest rate per annum was all 1.58% on a floating basis.

3) The bank loan is for the purpose of general operation with due date on September 4, 2020. As of September 30, 2017, December 31, 2016 and September 30, 2016, the interest rate on the bank loan was 1.17%-1.72%, 1.72% and 1.72% per annum, respectively.

19. BONDS PAYABLE

	September 30, 2017	December 31, 2016	September 30, 2016
Unsecured domestic convertible bonds	$ 234,400	$ 1,450,500	$ 1,610,600
Less: Discount on bonds payable	5,958	53,360	65,356
	$ 228,442	$ 1,397,140	$ 1,545,244

On May 23, 2014, the Group issued its second domestic unsecured 0% convertible bonds with aggregate par value of $2,000,000 thousand and face value of $100 thousand. These bonds were listed on the Taipei Exchange at the same date. Except for the period when books are closed for share transaction, bondholders are entitled to convert bonds into the Corporation's common stock at $74.2 (conversion price) per share from June 24, 2014 to May 13, 2019. Due to earning distribution of cash dividend of NT$3.3 and NT$2.4 per share for 2017 and 2016, the conversion price was adjusted to NT$64.9 and NT$67.2 per share, respectively.

If the closing price of the Group's common share exceeds 30% of the conversion price of the bonds payable for 30 consecutive days or the aggregate outstanding amounts of bonds payable is less than 10% of the amounts of original issuance, the Group has the right to redeem all of the outstanding bonds payable at face value during the period from one month after the issuance date (June 24, 2014) to 40 days before the maturity date (April 13, 2019).

At the end of the third year from the bond issuance date, bondholders have the right to request the Group to redeem the convertible bonds at face value.

The convertible bonds contain both liability and equity components. The equity components presented in equity under "capital surplus - option" of $141,487 thousand. The liability components were recognized as embedded-derivative of $4,989 thousand and nonderivative liability of $1,849,108 thousand, respectively. The estimated fair value of derivative instrument as of September 30, 2017 resulted in gain of $652 thousand.

Proceeds from issuance (less transaction costs $5,320 thousand)	$ 1,994,680
Equity component	(141,487)
Deferred tax assets	904
Derivative financial liability component	(4,989)
Liability component at the date of issue	1,849,108
Interest charged at an effective interest rate of 1.57%	76,582
Conversion of bonds payable	(1,697,248)
Liability component as of September 30, 2017	$ 228,442

20. OTHER PAYABLES

	September 30, 2017	December 31, 2016	September 30, 2016
Salaries payable and bonus payable (including employee compensations and remuneration of directors and supervisors)	$ 645,925	$ 689,305	$ 571,962
Payable for construction and equipment	1,964	3,281	1,718
Other	179,949	160,484	133,352
	$ 827,838	$ 853,070	$ 707,032

21. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2016 and 2015. The amount were $1,623 thousand, $1,672 thousand, $4,869 thousand and $5,027 thousand for the three months ended September 30, 2017 and 2016 and for the nine months ended September 30, 2017 and 2016, respectively.

22. EQUITY

a. Ordinary share capital

	September 30, 2017	December 31, 2016	September 30, 2016
Number of shares authorized (in thousands)	450,000	450,000	450,000
Shares authorized	$ 4,500,000	$ 4,500,000	$ 4,500,000
Number of shares issued and fully received (in thousands)	408,051	389,887	383,373
Shares issued	$ 4,080,513	$ 3,898,872	$ 3,833,732

The authorized shares include 30,000 thousand shares allocated for the exercise of employee share options.

b. Capital surplus

	September 30, 2017	December 31, 2016	September 30, 2016
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Additional paid-in capital	$ 2,339,024	$ 1,209,905	$ 1,014,804
Treasury share transactions	171,229	165,059	165,059
From merger	146,976	146,976	146,976
Used to offset a deficit only			
Employee share options expired	5,472	5,239	3,031
Share of changes in capital surplus of associates or joint ventures	54,186	52,703	50,333
Not be used for any purpose			
Convertible bonds options	16,582	102,614	113,940
Employee share options	111,721	90,459	83,795
Employee restricted shares	180,781	187,204	187,204
	$ 3,025,971	$ 1,960,159	$ 1,765,142

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and once a year).

c. Retained earnings and dividend policy

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The shareholders held their regular meeting on June 7, 2016 and, in that meeting, had resolved amendments to the Corporation's Articles of Incorporation (the "Articles"), particularly the amendment to the policy on dividend distribution and the addition of the policy on distribution of employees' compensation.

Under the dividend policy as set forth in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration to directors and supervisors after amendment, please refer to d. Employees' compensation and remuneration of directors and supervisors in Note 23.

Taking into account future capital expenditure requirements and its cash position, the total of cash dividends paid in any given year may not be less than 20% of total dividends distributed in that year. The final amount, type and percentage of the cash dividends and stock dividends are subject to actual earnings and capital requirements of the Corporation in a particular year.

The appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficits. If the Corporation has no deficits and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

Except for non-ROC resident shareholders, all shareholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Corporation.

The appropriations of earnings for 2016 and 2015 have been approved in the annual shareholders' meeting on June 8, 2017 and June 7, 2016, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		**Dividend Per Share (NT$)**	
	For Fiscal Year 2016	**For Fiscal Year 2015**	**For Fiscal Year 2016**	**For Fiscal Year 2015**
Legal reserve	$ 171,994	$ 123,656		
Cash dividends	1,314,425	910,200	$ 3.3	$ 2.4

d. Special reserves

At the first-time adoption of IFRSs, a proportionate share of the special reserve relating to exchange differences arising from the translation of the financial statements of foreign operations (including the subsidiaries of the Corporation) will be reversed on the Group's disposal of foreign operations; on the Group's loss of significant influence, however, the entire special reserve will be reversed. An additional special reserve should be appropriated for the amount equal to the difference between the net debit balance of the reserves and the special reserve appropriated at the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and may thereafter be distributed.

e. Treasury shares

The Corporation's shares held by its subsidiaries at the end of the reporting periods were as follows:

Subsidiaries	Number of Shares Held (In Thousand Shares)	Carrying Amount	Market Price
September 30, 2017			
Chroma Investment Co., Ltd.	1,916	$ 35,714	$ 200,178
December 31, 2016			
Chroma Investment Co., Ltd.	1,916	$ 35,714	$ 144,435
September 30, 2016			
Chroma Investment Co., Ltd.	1,916	$ 35,714	$ 161,483

Forfeited employee restricted shares of 12 thousand were returned to the Corporation and canceled during this period.

Under the Securities and Exchange Act, the Corporation shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote. The subsidiaries holding treasury shares, however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

23. ADDITIONAL INFORMATION ON EXPENSES

a. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Interest on bank loans	$ 10,375	$ 10,738	$ 29,321	$ 27,285
Interest on convertible bonds	961	6,539	6,189	20,180
	11,336	17,277	35,510	47,465
Less: Amount included in the cost of qualifying assets	5,842	7,108	19,555	16,855
	$ 5,494	$ 10,169	$ 15,955	$ 30,610
Capitalized interest	$ 5,842	$ 7,108	$ 19,555	$ 16,855
Capitalization rate	1.58%	1.58%-1.60%	1.58%	1.58%-1.60%

b. Depreciation and amortization expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Depreciation of property, plant and equipment	$ 77,636	$ 83,978	$ 233,853	$ 253,550
Amortization of intangible assets	798	1,062	2,361	2,067
	$ 78,434	$ 85,040	$ 236,214	$ 255,617
Depreciation by function				
Operating costs	$ 23,086	$ 31,045	$ 75,378	$ 100,429
Operating expenses	54,550	52,933	158,475	153,121
	$ 77,636	$ 83,978	$ 233,853	$ 253,550
Amortization by function				
Operating expenses	$ 798	$ 1,062	$ 2,361	$ 2,067

c. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Short-term benefits	$ 777,147	$ 697,682	$ 2,190,220	$ 1,957,217
Share-based payments (Note 26)	27,421	33,767	94,088	54,608
Post-employment benefits (Note 21)				
Defined contribution plans	21,272	16,964	60,711	50,894
Defined benefit plans	1,623	1,672	4,869	5,027
Other employee benefits	17,726	15,589	45,740	43,244
	$ 845,189	$ 765,674	$ 2,395,628	$ 2,110,990
Summarized by function				
Operating costs	$ 156,849	$ 130,915	$ 433,992	$ 384,366
Operating expenses	688,340	634,759	1,961,636	1,726,624
	$ 845,189	$ 765,674	$ 2,395,628	$ 2,110,990

d. Employees' compensation and remuneration of directors and supervisors

The Corporation accrued its appropriation of employees' compensation and remuneration of directors and supervisors at the rates of 5%-20% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. For the three months ended September 30, 2017 and 2016 and nine months ended September 30, 2017 and 2016, the accrual rates and accrued amounts were as follows:

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2017		2016		2017		2016	
	Amount	Rate %	Amount	Rate %	Amount	Rate %	Amount	Rate %
Employees' compensation	$ 103,000	9.46	$ 103,000	13.40	$ 245,000	11.22	$ 240,000	13.22
Remuneration of directors and supervisors	$ 2,715	0.25	$ 2,000	0.26	$ 6,885	0.32	$ 5,900	0.32

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

The appropriations for employee's compensation and remuneration of directors and supervisors for 2016 and 2015 have been resolved by the board of directors on February 21, 2017 and February 23, 2016, respectively, were as below:

	For the Years Ended December 31			
	2016		2015	
	Cash	Share	Cash	Share
Employee's compensation	$ 300,000	$ -	$ 135,000	$ -
Remuneration of directors and supervisors	8,000	-	8,000	-

There was no difference between the amounts of the employee's compensation and the remuneration of directors and supervisors and the respective amounts recognized in the consolidated financial statements for the years ended December 31, 2016 and 2015.

Information on the employee's compensation and remuneration of directors and supervisors resolved by the Corporation's board of directors in 2017 and 2016 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

24. INCOME TAXES

a. Major components of income tax expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Current tax				
In respect of the current period	$ 150,081	$ 110,554	$ 295,466	$ 250,671
Income tax on unappropriated earnings	-	-	20,687	17,620
Adjustments for prior periods	(847)	(3)	(846)	(2,255)
	149,234	110,551	315,307	266,036

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Deferred tax				
In respect of the current period	$ 46,041	$ 6,683	$ 69,406	$ 24,032
Income tax expense recognized in profit or loss	$ 195,275	$ 117,234	$ 384,713	$ 290,068

(Concluded)

b. Integrated income tax

	September 30, 2017	December 31, 2016	September 30, 2016
Balance of imputation credit account (ICA)	$ 246,036	$ 302,877	$ 217,978

	For the Years Ended December 31	
	2016	2015
Creditable ratio for distribution of earnings	16.28%	17.10%

c. Income tax assessments

The Corporation's tax returns through 2014 had been assessed by the tax authorities.

The tax returns through 2015 of the Group's subsidiaries - Adivic Technology Co., Wei Kuang Automatic Equipment Co., Chroma Investment Co., Testar Electronic Corp., EVT Technology Co., Ltd. and Wei Da Electric Vehicle Co., Ltd. - had been assessed by the tax authorities.

The tax returns through 2014 of the Group's subsidiaries - Chroma New Material Corp., had been assessed by the tax authorities.

25. EARNINGS PER SHARE

Earnings and weighted average shares used to calculate earnings per share were as follows:

Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Earnings used in the computation of basic earnings per share	$ 866,069	$ 574,323	$ 1,670,319	$ 1,338,174
Effect of potentially dilutive ordinary shares:				
Interest on convertible bonds and valuation gain on conversion option	1,042	6,344	6,680	15,799
Earnings used in the computation of diluted earnings per share	$ 867,111	$ 580,667	$ 1,676,999	$ 1,353,973

Shares

(In Thousands of Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	**2016**	**2017**	**2016**
Weighted average number of ordinary shares used in the computation of basic earnings per share	403,161	378,357	395,228	377,804
Effect of potentially dilutive ordinary shares:				
Convertible bonds	3,853	25,761	8,405	26,809
Employees' compensation	2,322	2,847	2,963	3,238
Employee share options	3,649	2,258	3,279	1,821
Employee restricted shares	2,385	-	1,665	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	415,370	409,223	411,540	409,672

Since the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan of the Corporation

The Corporation granted employee stock options 7,900 thousand units in March 2016 and 6,000 thousand units in July 2013, respectively, with each option eligible to subscribe for one common share of the Corporation when exercised. The options are valid for six years and exercisable at certain percentages subsequent to the second year of the grant date.

The related information for the units granted in March 2016 were as follow:

1) Number of options granted and exercise price:

Number of options (in thousands)	7,900
Exercise prices per share on grant date (market value on grant date)	$67.8
Exercise prices per share as of the report date (adjusted based on the Corporation's employee share options plan)	$63.4

2) The valuation inputs of Black-Scholes model were as follows:

Vested Period	2 Years	3 Years	4 Years
Expected volatility	31.64%	32.62%	33.08%
Risk-free interest rate	0.52%	0.55%	0.61%
Expected dividend rate	-	-	-
Expected life	4 years	4.5 years	5 years

3) Fair value of stock options vested from grant date:

Vested Period	2 Years	3 Years	4 Years
Fair value (NT$ per unit)	$17.37	$18.97	$20.30

Information on employee share options as of September 30, 2017, was as follows:

	For the Nine Months Ended September 30			
	2017		2016	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
Balance, beginning of the period	11,538	$ 60.2	5,292	$ 49.9
Options granted	-	-	7,900	65.7
Options exercised	(1,240)	47.1	(1,287)	49.1
Balance, end of the period	10,298	59.5	11,905	59.9
Options exercisable, end of the period	2,398		2,302	

Compensation costs recognized were $11,981 thousand, $14,376 thousand, $39,821 thousand and $34,795 thousand for the three months ended September 30, 2017 and 2016 and for the nine months ended September 30, 2017 and 2016, respectively

b. Restricted shares for employees of the Corporation

In the shareholders' meeting on June 7, 2016, the shareholders approved a Restricted Share Unit Plan ("RSU" Plan) for employees with a total amount of $36,000 thousand, consisting of 3,600 thousand shares with issuance price of $10 dollars per share. It can be issued at one time or several times depending on the circumstance. The RSU Plan was approved under Rule No. 1050024381 issued by the FSC on June 27, 2016. The Corporation issued 3,100 thousand and 185 thousand shares on July 8, 2016 and June 20, 2017, the subscription date. The details of RSU Plan are as follows:

1) Employees who are granted RSUs, upon meeting the Corporation's financial performance and personal performance indicators, are eligible to be vested 10, 20, 30 and 40 percent of the RSUs granted after 1, 2, 3 and 4 years of tenure after the subscription date, respectively.

2) The restrictions on the rights of the employees who are granted RSUs but have not met the vesting conditions are as follows:

   a) The employees are not eligible to sell, pledge, transfer, donate or to dispose any RSUs in any form.

b) The employees holding RSUs are entitled to receive dividends and similar purchasing rights to ordinary shares during capital increase. Cash dividends from RSUs are not restricted during the vesting period. Cash dividends are appropriated to the employees' personal account from trust account after the dividend distribution date.

c) Before the restricted shares are vested to the employees, the right of attendance, proposal, speech, voting and other rights of shareholders are acted by the custodian.

d) The RSUs should be delivered to trust custodians upon grant date. The employees cannot request for return in any manner before vesting conditions are met.

3) If an employee fails to meet the vesting conditions, the Corporation will recall or buy back and cancel the restricted shares at issued price. If an employee voluntarily resigns, retires, disabled or decease due to occupational hazards, dismissed, be transferred to another post, violates labor contracts or working protocols substantially or abandons restricted shares, related guidelines of RSU Plan will be followed accordingly.

Information relating to outstanding employee restricted shares as of September 30, 2017 was as follows:

	For the Nine Months Ended September 30, 2017
Restricted shares at the beginning of the period	3,100
Shares granted	185
Shares vested	(298)
Shares canceled	(12)
Restricted shares at the end of the period	2,975

Compensation costs of share-based payment arising from the RSU Plan recognized were $15,440 thousand, $19,180 thousand, $54,267 thousand and $19,180 thousand for the three months ended September 30, 2017 and 2016 and for the nine months ended September 30, 2017 and 2016, respectively.

c. Employee share option plan of subsidiaries

Adivic Technology Co. granted its employees stock options of 1,360 thousand units in March 12, 2014, with each option eligible to subscribe for one common share of Adivic Technology Co. when exercised. The options are valid for eight years and exercisable at certain percentages subsequent to the second year of the grant date.

1) Information on employee share options was as follows:

	For the Nine Months Ended September 30			
	2017		2016	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
Balance, beginning of the period	785	$ 10.0	930	$ 10.0
Options forfeited	-	-	(145)	-
Balance, end of the period	785	10.0	785	10.0
Options exercisable, end of the period	-		-	

Compensation costs recognized were $211 thousand and $633 thousand for the three months and nine months ended September 30, 2016, respectively.

27. BUSINESS COMBINATION

a. Subsidiary acquired

The Group bought 60% equity interest of Quantel Private Ltd. ("Quantel") in April 2016 and acquired control over Quantel, which was included in the consolidate financial statement since the date the Group acquired control over it.

b. Assets acquired and liabilities assumed at the date of acquisition

	Quantel
Current assets	
Cash and cash equivalents (net of bank overdrafts of $16,733 thousand)	$ 20,341
Trade receivables (net of allowance for doubtful accounts of $1 thousand)	42,177
Debt Investments with no active market	9,567
Inventories	13,736
Other current assets	951
Noncurrent assets	
Property, plant and equipment, net	40,129
Refundable deposits	800
Current liabilities	
Short-term borrowings	(19,601)
Trade payables	(10,066)
Other payables	(2,359)
Income tax payable	(1,380)
Current portion of long-term borrowings	(6,259)
Other current liabilities	(20)
Noncurrent liabilities	
Long-term borrowings	(11,494)
Deferred tax liabilities	(223)
	$ 76,299

c. Intangible assets recognized on acquisition

	Quantel
Consideration transferred	$ 76,590
Plus: Non-controlling interests	30,520
Less: Fair value of identifiable net assets acquired	(76,299)
	$ 30,811

d. Net cash outflow on acquisition of subsidiaries

	Quantel
Consideration paid in cash	$ (76,590)
Less: Cash and cash equivalent balances acquired	20,341
	$ (56,249)

e. Impact of acquisitions on the results of the Group

The results of acquires since the acquisition date included in the consolidated statement of comprehensive income were as follows:

	For the Nine Months Ended September 30, 2016
Revenue	$ 96,197
Profit	$ 1,002

Had this business combination been in effect at the beginning of the annual reporting period, the Group's revenue from operations would have been $8,887,558 thousand, and the profit from operations would have been $1,308,023 thousand for the nine months ended September 30, 2016. This pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1 of the acquisition year, nor is it intended to be a projection of future results.

In determining the pro-forma revenue and profit of the Group had Quantel been acquired at the beginning of the current reporting period, the management performed the following:

1) Calculated depreciation of plant and equipment acquired on the basis of the fair values at the initial accounting for the business combination rather than the carrying amounts recognized in the pre-acquisition financial statements; and

2) Calculated borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's capital management aims to maintain the sufficiency of financial resources and the soundness of operating strategies to meet the needs for operating capital, capital expenditure, R & D expenses, debt handling, dividend disbursement, etc.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values or their fair value could not be assessed reliably.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
September 30, 2017				
Financial assets at FVTPL				
Domestic securities				
Listed equity securities	$ 8,693	$ -	$ -	$ 8,693
Derivative instruments	-	234	-	234
	$ 8,693	$ 234	$ -	$ 8,927
Available-for-sale financial assets				
Domestic securities				
Listed equity securities	$ 258,900	$ -	$ -	$ 258,900
Open-end beneficiary certificate	1,541,789	-	-	1,541,789
	$ 1,800,689	$ -	$ -	$ 1,800,689
December 31, 2016				
Financial assets at FVTPL				
Domestic securities				
Listed equity securities	$ 7,453	$ -	$ -	$ 7,453
Investment in debt instrument	983	-	-	983
Derivative instruments	-	725	-	725
	$ 8,436	$ 725	$ -	$ 9,161

(Continued)

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic securities				
Listed equity securities	$ 314,233	$ -	$ -	$ 314,233
Open-end beneficiary certificate	2,291,504	-	-	2,291,504
	$ 2,605,737	$ -	$ -	$ 2,605,737
September 30, 2016				
Financial assets at FVTPL				
Domestic securities				
Listed equity securities	$ 7,705	$ -	$ -	$ 7,705
Investment in debt instrument	980	-	-	980
Derivative instruments	-	2,899	-	2,899
	$ 8,685	$ 2,899	$ -	$ 11,584
Available-for-sale financial assets				
Domestic securities				
Listed equity securities	$ 300,104	$ -	$ -	$ 300,104
Open-end beneficiary certificate	2,613,213	-	-	2,613,213
	$ 2,913,317	$ -	$ -	$ 2,913,317

(Concluded)

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2017 and 2016.

2) Valuation techniques and inputs applied for the purpose of measuring level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - convertible bonds	Binomial tree valuation model of convertible bonds: The fair value of the derivative financial assets embedded in convertible bonds was determined based on the observable closing price of the stocks at balance sheet date and risk-free interest rate with risk premium.

c. Categories of financial instruments

	September 30, 2017	December 31, 2016	September 30, 2016
Financial assets			
Fair value through profit or loss	$ 8,927	$ 9,161	$ 11,584
Loans and receivables (1)	9,147,886	6,701,119	5,982,807
Available-for-sale financial assets (2)	1,995,660	2,804,386	3,111,713
Financial liabilities			
Amortized cost (3)	6,867,683	6,677,320	6,827,304

1) The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, notes receivable, trade receivables, other receivables (other current assets), and refundable deposits.

2) The balances included the carrying amount of available-for-sale financial assets measured at cost.

3) The balances included financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes payable, trade payables, other payables, bonds issued, long-term loans (including current portion of long-term borrowings) and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments consist of equity and debts investments, cash and cash equivalents, receivables, long-term and short-term borrowings, short-term bills payable, trade payables and convertible bonds. The Group's financial risk management pertains to financial risks relating to the operations of the Group, including currency risk, interest rate risk, credit risk and liquidity risk. The Group seeks to identify, evaluate and hedge against market uncertainties to lower the effect of market changes on the Group's financial performance.

The Group manages foreign exchange risk through setting up of foreign currency deposit bank accounts and through the use of foreign currency directly received from sale to pay for purchases in foreign currency to reduce the impact of foreign exchange fluctuation and to achieve a natural hedge effect. The Group actively observes the exchange rate information to fully control the foreign currency hedge.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in exchange rates (see Item (a) below), interest rates (see Item (b) below) and price (see Item (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Group was mainly exposed to USD and RMB.

Had the NTD strengthened/weakened by 5% against the relevant currency, the pre-tax profit would have decreased/increased by $235,521 thousand and $114,433 thousand for the nine months ended September 30, 2017 and 2016, respectively. The 5% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items and their translation at period-end is adjusted for a 5% change in foreign-currency rates.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds both at fixed and floated interest rates. The Group evaluates hedging activities regularly to align with interest rate views and defined risk appetite and ensures that the most cost-effective hedging strategies are applied.

The carrying amounts of the financial assets and liabilities with exposure to interest rates at the end of the reporting period were as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Fair value interest rate risk			
Financial assets	$ 2,423,328	$ 753,729	$ 887,277
Financial liabilities	2,321,253	1,709,000	2,012,847
Cash flow interest rate risk			
Financial assets	2,782,747	2,768,557	1,761,427
Financial liabilities	1,753,756	2,068,247	2,313,586

Sensitivity analysis

The sensitivity analysis below has been determined on the basis of the exposure to interest rates for both derivative and nonderivative instruments at balance sheet dates. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the balance sheet dates was outstanding for the entire period. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2017 and 2016 would have decreased/increased by $3,859 thousand and $2,071 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable rate deposits and bank loans.

c) Price risk

The Group is exposed to equity price risks arising from the following:

i. Investment in available-for-sale financial assets (mainly investment in open-end beneficiary certificates and listed stocks in Taiwan), which are held for strategic rather than trading purposes. The Group does not actively trade these investments.

ii. Financial assets at fair value through profit or loss (mainly investment in listed stocks in Taiwan).

The Group manages risk through holding various portfolios of investments and having every equity investment get prior approval from the Group's management.

Sensitivity analysis

Had equity prices been 5% higher/lower, the pre-tax profit would have increased/decreased by \$435 thousand and \$434 thousand as a result of the changes in fair values of financial assets held by the Group for trading purposes for the nine months ended September 30, 2017 and 2016, respectively; and other comprehensive income would have increased/decreased by \$90,034 thousand and \$145,666 thousand because of changes in fair values of available-for-sale financial assets held by the Group for the nine months ended September 30, 2017 and 2016, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from:

a) The carrying amount of trade receivables from operating activities; and

b) The amount of bank deposits, fixed-income and other financial instruments from investing activities.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables involve a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable, including the evaluation of internal credits, historical transaction records, present economic circumstances, etc. which affect the customers' payment ability.

The credit risk of bank deposits, fixed-income financial instruments and other financial instruments are evaluated, managed and controlled by the Group's financial department. The Group's exposure to credit risk was limited because the Group adopted a policy of only dealing with creditworthy counterparties.

3) Liquidity risk

The Group manages liquidity risk by managing and maintaining sufficient cash and cash equivalents to supply the Group's demand and mitigate the effects of fluctuations in cash flow. The Group continuously monitors the use of credit lines and conformity to loan terms.

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2017, December 31, 2016 and September 30, 2016, the Group's available unutilized bank loan facilities were \$1,682,630 thousand, \$3,332,475 thousand and \$2,714,110 thousand, respectively.

Liquidity and interest risk tables for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

Bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

	September 30, 2017		
	Within 1 Year	**1 to 5 Years**	**More Than 5 Years**
Non-derivative financial liabilities			
Non-interest bearing	$ 2,791,832	$ -	$ -
Convertible bonds	-	234,400	-
Fixed interest rate instruments	1,996,178	102,227	3,464
Floating interest rate instruments	1,238,176	553,768	8,346
	$ 6,026,186	$ 890,395	$ 11,810

	December 31, 2016		
	Within 1 Year	**1 to 5 Years**	**More Than 5 Years**
Non-derivative financial liabilities			
Non-interest bearing	$ 2,899,218	$ -	$ -
Convertible bonds	-	1,450,500	-
Fixed interest rate instruments	204,260	116,998	4,640
Floating interest rate instruments	837,435	1,238,436	35,383
	$ 3,940,913	$ 2,805,934	$ 40,023

	September 30, 2016		
	Within 1 Year	**1 to 5 Years**	**More Than 5 Years**
Non-derivative financial liabilities			
Non-interest bearing	$ 2,500,024	$ -	$ -
Convertible bonds	-	1,610,600	-
Fixed interest rate instruments	310,616	138,145	42,128
Floating interest rate instruments	1,135,903	1,223,241	-
	$ 3,946,543	$ 2,971,986	$ 42,128

After considering the financial position of the Group, management does not expect the banks will execute their rights of requiring the Group to repay the bank loans immediately. In addition, management believes the operating funds of the Corporation and subsidiaries are sufficient to meet cash flow demand; thus, liquidity risk is not considered significant.

The Group's operating funds are sufficient to meet its cash flow demand, as a result, the Group does not use its overdraft limit.

30. TRANSACTIONS WITH RELATED PARTES

a. The related parties and relationships with the Group were as follows:

Related Party	Relationship with the Group
Dynascan Technology Corp. ("Dynascan Technology")	Associate
Adlink Technology Inc. ("Adlink")	Associate
Chih Ho Shun Development Co., Ltd. ("Chih Ho Shun")	Joint venture
Dynascan Electronics (Shanghai) Co., Ltd. ("Dynascan Shanghai")	Associate
Dynascan Technology Inc. ("Dynascan USA")	Associate
Dynascan Japan Inc. ("Dynascan Japan")	Associate
Mou Kuan Industry Co., Ltd. ("Mou Kuan")	Other related party
Quantel Global Co., Ltd. (Quantel Thailand)	Other related party
Quantel Global Vietnam Co., Ltd. (Quantel Vietnam)	Other related party
Quantel Technologies India Pvt Ltd. (Quantel India)	Other related party
Quantel Global Sdn Bhd (Quantel Malaysia)	Other related party
Quantel Global Philippines Corporation (Quantel Philippines)	Other related party
PT Quantel (Quantel Indonesia)	Other related party

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and its related parties are disclosed below.

The related-party transactions were conducted under normal terms unless specified otherwise.

b. Sales

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Categories	2017	2016	2017	2016
Associates	$ 5,333	$ 4,235	$ 14,835	$ 15,617
Other related parties	24,889	-	38,111	-
	$ 30,222	$ 4,235	$ 52,946	$ 15,617

c. Purchase

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Categories	2017	2016	2017	2016
Associates	$ 6,014	$ 6,661	$ 20,495	$ 14,337
Other related parties	7,283	1,778	13,275	7,455
	$ 13,297	$ 8,439	$ 33,770	$ 21,792

d. Receivables from related parties (excluding loans to related parties)

Line Items	Related Party Categories	September 30, 2017	December 31, 2016	September 30, 2016
Trade receivables - related parties	Associates	$ 6,663	$ 7,890	$ 10,711
	Other related parties	61,085	-	-
		$ 67,748	$ 7,890	$ 10,711

The outstanding trade receivables from related parties were unsecured. For the nine months ended September 30, 2017 and 2016, no impairment losses were recognized for trade receivables from related parties.

e. Payables to related parties (excluding loans from related parties)

Line Items	Related Party Categories	September 30, 2017	December 31, 2016	September 30, 2016
Notes payable - related parties	Other related parties	$ 8,063	$ 2,595	$ 1,779
Trade payables - related parties	Associates	$ 6,486	$ 11,753	$ 5,409
	Other related parties	5	60	3
		$ 6,491	$ 11,813	$ 5,412

The outstanding trade payables from related parties were unsecured.

f. Others

Line Items	Related Party Categories	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2017	2016	2017	2016
Rental income	Associates	$ 315	$ 315	$ 945	$ 945
Rental cost	Other related parties	$ 3,150	$ 3,150	$ 9,450	$ 9,450
Administration expense	Associates	$ 4,764	$ 3,430	$ 4,767	$ 3,460
	Other related parties	8,342	-	21,741	-
		$ 13,106	$ 3,430	$ 26,508	$ 3,460

g. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Short-term employee benefits	$ 41,894	$ 36,019	$ 98,394	$ 91,929
Post-employment benefits	582	525	1,685	1,571
	$ 42,476	$ 36,544	$ 100,079	$ 93,500

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

31. ASSETS PLEDGED

The assets pledged as collaterals for bank loans and for product warranty were as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Property, plant and equipment, net			
Used bank loans	$ 331,091	$ 359,796	$ 333,794
Unused bank loans	709,661	715,395	717,306
Debt investments with no active market	738,073	6,078	7,572
	$ 1,778,825	$ 1,081,269	$ 1,058,672

32. OTHER SIGNIFICANT EVENTS

On January 17, 2012, the Corporation, Dynapack International Corporation and Heran Tech. Co., Ltd. won a bid for the ownership of land and the building and related facilities to be built on the land pertaining to "The Action Plan for Developing Land Surrounding the MRT Airport Station to Improve Civilians' Life," which had been reviewed and approved by the Ministry of the Interior (MOI).

The total bid price was $10,088,890 thousand, covering land with an area of 222,300 square meters. As a result of winning the above bid, the Corporation acquired 35%, or 77,805 square meters, of a certain piece of land for $3,531,112 thousand. On April 18, 2012, the Corporation signed the land purchase contract with the MOI; the payment schedule for this purchase is as follows:

a. The first installment of the bid amount (10% of the total bid amount, or $353,111 thousand) should be paid within 10 days from the contract date. The Corporation paid the first installment using the bid deposit ($353,040 thousand) and by adding cash.

b. To meet the schedule for zone expropriation, the Corporation should pay the second installment (30% of the total bid amount) within 10 days of receiving the payment notice from the MOI. The MOI will approve the Corporation's land usage rights as the payment is made. On September 3, 2013, the Corporation has paid the second installment $1,059,333 thousand.

c. To help the MOI provide the compensations for land expropriation and complete the demolition and relocation of structures on the land, the Corporation should pay the third installment (40% of the total bid amount) within 10 days of the payment notice from the MOI. The MOI will then check with the Corporation to see if the demolition and relocation are completed as the payment is made. In November 2015 and July 2016, the Corporation has paid the first part of the third installments $536,729 thousand and remaining part of the third installment $875,716 thousand, respectively.

d. The Corporation should accomplish the following things within four years from the time of obtaining the approval of the land usage rights:

   1) Open up the main road system and build related public facilities.

   2) Acquire the building license for over 50% percent of all industrial land and register with the authorities to go into operation.

   After completing the above requirements, the Corporation should apply to the MOI for the approval to acquire real property rights to the structures and facilities built. The Corporation should pay the fourth installment (20% of the total bid amount) within 10 days upon obtaining the approval and receipt of the payment notice from the MOI. The MOI will issue the transfer-certificate of property rights over the land.

   The Corporation has agreed to comply with the MOI's requirement for the MOI's placing of caution on undeveloped land before ownership of real property is turned over to the Corporation. The MOI will cancel this caution once it determines that the Corporation has completed all the required land development, building and facility construction and land improvements.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

September 30, 2017

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 191,417	30.260	$ 5,792,289
RMB	449,471	4.551	2,045,544
			$ 7,837,833
Financial liabilities			
Monetary items			
USD	82,997	30.260	$ 2,511,497
RMB	135,333	4.551	615,901
			$ 3,127,398

December 31, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 103,269	32.250	$ 3,330,406
RMB	210,140	4.617	970,216
			$ 4,300,622
Financial liabilities			
Monetary items			
USD	45,979	32.250	$ 1,482,824
RMB	58,617	4.617	270,634
			$ 1,753,458

September 30, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 100,486	31.360	$ 3,151,241
RMB	187,697	4.693	880,864
			$ 4,032,105
Financial liabilities			
Monetary items			
USD	47,115	31.360	$ 1,477,527
RMB	56,663	4.693	265,918
			$ 1,743,445

For the three months ended September 30, 2017 and 2016, (realized and unrealized) net foreign exchange gains (losses) were $14,450 thousand and $(87,054) thousand, respectively. For the nine months ended September 30, 2017 and 2016, (realized and unrealized) net foreign exchange losses were $(76,447) thousand and $(108,201) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1 (attached)

2) Endorsements/guarantees provided: Table 2 (attached)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): Table 3 (attached)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisitions of individual real estate at costs of at least NT $300 million or 20% of the paid-in capital: None.

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4 (attached)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5 (attached)

9) Trading in derivative instruments: Note 7 and Note 19.

10) Others: Intercompany relationships and significant intercompany transactions: Table 6 (attached)

11) Information on investees: Table 7 (attached)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 8 (attached)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 4 (attached)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 4 (attached)

c) The amount of property transactions and the amount of the resultant gains or losses: None.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

35. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of products delivered or services provided. The Group's reportable segments are as follows:

a. Special materials department.

b. Test instrument department.

c. Automatic equipment department.

d. Other

1) Segment revenues and results

	Special Materials Department	Test Instrument Department	Automatic Equipment Department	Other	Elimination	Total
For the nine months ended September 30, 2017						
Revenue from external customers	$ 1,528,212	$ 7,241,401	$ 599,804	$ 317,170	$ -	$ 9,686,587
Inter-segment revenue	-	4,961,134	36,182	7,877	(5,005,193)	-
Segment revenue	$ 1,528,212	$ 12,202,535	$ 635,986	$ 325,047	$ (5,005,193)	9,686,587
Consolidated revenue						$ 9,686,587
Segment income	$ 28,161	$ 1,758,676	$ 207,838	$ (42,985)	$ 40,026	$ 1,991,716
Non-operating income and expenses						51,585
Profit before tax						$ 2,043,301
For the nine months ended September 30, 2016						
Revenue from external customers	$ 1,657,724	$ 6,640,152	$ 264,234	$ 287,225	$ -	$ 8,849,335
Inter-segment revenue	-	4,183,569	317,777	6,479	(4,507,825)	-
Segment revenue	$ 1,657,724	$ 10,823,721	$ 582,011	$ 293,704	$ (4,507,825)	8,849,335
Consolidated revenue						$ 8,849,335
Segment income	$ 41,020	$ 1,568,720	$ 73,672	$ (90,417)	$ 33,212	$ 1,626,207
Non-operating income and expenses						(25,756)
Profit before tax						$ 1,600,451

The sales between segments are based on fair value.

The above revenue were generated through transactions with external customers and among segments. The inter-segment revenue for the nine months ended September 30, 2017 and 2016 had been adjusted and eliminated from the consolidated financial statements.

Segment profit represented profit before tax earned by each segment, excluding remuneration of directors, share of profits or loss of associates and joint ventures, rental income, interest income, gain (loss) on disposal of property, plant and equipment, gain (loss) on disposal of investments, foreign exchange gain (loss), valuation gain (loss) on financial instruments, finance costs and income tax expense. This was the measure reported to the Group's chief operating decision maker to allocate resources to each segment and evaluate its performance.

2) Segment assets and liabilities

	September 30, 2017	December 31, 2016	September 30, 2016
Segment assets			
Special materials department	$ 953,272	$ 1,004,283	$ 913,728
Test instrument department	18,551,981	15,208,838	14,615,017
Automatic equipment department	2,085,921	956,187	1,241,044
Other	573,196	544,420	558,846
Adjustments and eliminations	(4,539,387)	(3,154,573)	(3,624,243)
Total segment assets	17,624,983	14,559,155	13,704,392
Investments and other unallocated assets	4,042,330	4,073,623	4,312,266
Consolidated total assets	$ 21,667,313	$ 18,632,778	$ 18,016,658
Segment liabilities			
Special materials department	$ 645,094	$ 739,152	$ 661,935
Test instrument department	5,520,138	5,163,648	4,853,850
Automatic equipment department	2,150,259	448,542	732,714
Other	254,224	268,292	285,580
Adjustments and eliminations	(3,589,138)	(2,739,124)	(3,276,763)
Total segment liabilities	4,980,577	3,880,510	3,257,316
Borrowings and other unallocated liabilities	4,336,717	3,964,417	4,510,429
Consolidated total liabilities	$ 9,317,294	$ 7,844,927	$ 7,767,745

For the purpose of monitoring segment performance and allocating resources between segments:

a) All assets were allocated to reportable segments other than interests in associates accounted for using equity method, other financial assets, and deferred tax assets. Goodwill was allocated to reportable segments.

b) All liabilities were allocated to reportable segments other than borrowings and deferred tax liabilities.

CHROMA ATE INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 6)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	The Corporation	Chroma Systems Solutions, Inc.	Other receivables	Y	$ 117,607	$ 117,607	$ 117,607	3.25%	a	$ 304,132	-	$ -	-	$ -	$ 1,214,503 (Note 1)	$ 2,429,007 (Note 2)
		Chroma Japan Corp.	Other receivables	Y	49,435	49,435	36,359	-	a	133,686	-	-	-	-	1,214,503 (Note 1)	2,429,007 (Note 2)
1	Chroma Electronics (Shenzhen) Co., Ltd.	Chroma ATE (Suzhou) Ltd.	Other receivables	Y	15,205	-	-	-	a	9,387	-	-	-	-	44,787 (Note 3)	89,574 (Note 4)

Note 1: Based on 10% of the net value of the Corporation.

Note 2: Based on 20% of the net value of the Corporation.

Note 3: Based on 10% of the net value calculated on the latest financial statements of borrowing company that have been audited.

Note 4: Based on 20% of the net value calculated on the latest financial statements of borrowing company that have been audited.

Note 5: The amounts listed in the table were translated into New Taiwan dollars at the exchange rate of US$1=NT$30.26, RMB1=NT$4.551 and JPY1=NT$0.269 as of September 30, 2017.

Note 6: Financing provided:

a. For transactions.
b. For short-term financing.

TABLE 2

CHROMA ATE INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Corporation	Chroma USA	Subsidiary	$ 1,821,755	$ 60,520	$ 60,520	$ 60,520	$ -	0.50%	$ 3,643,510	Y	-	-
		Chroma Japan Corp.	Subsidiary	1,821,755	34,100	34,100	10,760	-	0.28%	3,643,510	Y	-	-
		Quantel Private Ltd.	Subsidiary	1,821,755	44,600	44,600	-	-	0.37%	3,643,510	Y	-	-
		Chroma ATE Europe B.V.	Subsidiary	1,821,755	53,625	53,625	-	-	0.44%	3,643,510	Y	-	-
		Chroma ATE (Suzhou) Ltd.	Subsidiary	1,821,755	91,020	91,020	-	-	0.75%	3,643,510	Y	-	Y

Note 1: According to Regulation of the "Procedures for Endorsement/Guarantee and lending of Funds", the Corporation limits the endorsement/guarantee amount on each entity to (a) within 15% of the net value of the Corporation and (b) the capital issued of the entity endorsed/guaranteed, but 100% held subsidiary is not limited by the regulation.

Note 2: According to Regulation of the "Procedures for Endorsement/Guarantee and Lending of Funds", the Corporation limits the endorsement/guarantee amount within the 30% of the net value of the Corporation.

Note 3: The above amounts were translated into New Taiwan dollars at the exchange rate of US$1=NT$30.26, RMB1=NT$4.551, JPY1=NT$0.269 as of September 30, 2017.

TABLE 3

CHROMA ATE INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT CONTROLLED ENTITIES)
SEPTEMBER 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2017 Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value (Note)	Note
The Corporation	Fund							
	Mega Diamond Money Market Fund	-	Available for sale financial assets - current	40,467	$ 503,900	-	$ 503,900	-
	The RSIT Enhanced Money Market Fund	-	Available for sale financial assets - current	24,722	293,961	-	293,961	-
	Yuanta Wan Tai Money Market Fund	-	Available for sale financial assets - current	18,863	283,850	-	283,850	-
	Jih Sun Money Market Fund	-	Available for sale financial assets - current	15,375	226,200	-	226,200	-
	WI Harper INC Fund VII LP	-	Financial assets measured at cost - non-current	-	10,152	-	-	-
	Stocks							
	DynaColor, Inc.	-	Available for sale financial assets - non-current	6,050	215,391	6.2	215,391	-
	Chunghwa Telecom Co., Ltd.	-	Available for sale financial assets - non-current	412	43,094	-	43,094	-
	China Communications Media Group Co., Ltd.	-	Available for sale financial assets - non-current	26	415	-	415	-
	WK Technology Fund IX Ltd.	-	Financial assets measured at cost - non-current	4,614	46,140	4.6	-	-
	Twoway Catv Service Inc.	-	Financial assets measured at cost - non-current	3,561	39,218	4.4	-	-
	Tian Zheng International Precision Machinery Co., Ltd.	-	Financial assets measured at cost - non-current	2,300	33,000	9.7	-	-
	WK Technology Fund IV Ltd.	-	Financial assets measured at cost - non-current	1,152	11,520	1.9	-	-
	WK Technology Fund VI Ltd.	-	Financial assets measured at cost - non-current	903	9,032	1.4	-	-
	TFBS Bioscience Inc.	-	Financial assets measured at cost - non-current	2,000	20,000	15.7	-	-
Chroma New Material Corp.	Fund							
	Fuh Hwa You Li Money Market Fund	-	Available-for-sale financial assets - current	6,829	91,456	-	91,456	-
	The RSIT Enhanced Money Market Fund	-	Available-for-sale financial assets - current	1,154	13,722	-	13,722	-
Chroma Investment Co., Ltd.	Fund							
	Hua Nan Kirin Money Market Fund	-	Available-for-sale financial assets - current	5,768	68,615	-	68,615	-
	Stocks							
	Adlink Technology Inc.	-	Financial assets at fair value through profit or loss - current	68	4,440	-	4,440	-
	Greatek Electronics Inc.	-	Financial assets at fair value through profit or loss - current	85	4,253	-	4,253	-
	Chroma ATE Inc.	The Corporation	Available for sale financial assets - non-current	1,916	200,178	0.5	200,178	-
	Fei Hong Industrial Co., Ltd.	-	Financial assets measured at cost - non-current	4,174	17,175	10.3	-	-
	Cosmactive Broadband Networks Co., Ltd.	-	Financial assets measured at cost - non-current	26	110	1.5	-	-
	Prance System Technology Co., Ltd.	-	Financial assets measured at cost - non-current	111	-	5.1	-	-
Adivic Technology Co.	Fund							
	Cathay Taiwan Money Market Fund	-	Available for sale financial assets - current	4,856	60,085	-	60,085	-
	Stocks							
Chen Hwa Technology Inc.	Hangzhou New Material Chroma Co., Ltd.	-	Financial assets measured at cost - non-current	-	8,624	19.0	-	-

Note: The fair value of open-end beneficiary certificates and listed market securities based on the net asset value and closing price as of September 30, 2017.

CHROMA ATE INC. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Corporation	Neworld Electronics Ltd.	Subsidiary	(Sale)	$ (1,376,449)	(23)	Net 90 days after delivery	-	-	$ 646,266	21	-
Neworld Electronics Ltd.	The Corporation	Parent company	Purchase	1,376,449	100	Net 90 days after delivery	-	-	(646,266)	(100)	-
The Corporation	Chroma USA	Subsidiary	(Sale)	(777,738)	(13)	Net 180 days after delivery	-	Note	412,725	13	-
Chroma USA	The Corporation	Parent company	Purchase	777,738	100	Net 180 days after delivery	-	Note	(412,725)	(100)	-
The Corporation	Chroma ATE Europe B.V.	Subsidiary	(Sale)	(240,236)	(4)	Net 90 days after delivery	-	-	154,930	5	-
Chroma ATE Europe B.V.	The Corporation	Parent company	Purchase	240,236	100	Net 90 days after delivery	-	-	(154,930)	(100)	-
The Corporation	Chroma Electronics (Shenzhen) Co., Ltd.	Subsidiary	(Sale)	(441,771)	(7)	Net 90 days after monthly closing	-	-	215,834	7	-
Chroma Electronics (Shenzhen) Co., Ltd.	The Corporation	Parent company	Purchase	441,771	100	Net 90 days after monthly closing	-	-	(215,834)	(100)	-
The Corporation	Chroma Systems Solutions, Inc.	Subsidiary	(Sale)	(304,132)	(5)	Net 90 days after delivery	-	-	118,020	4	-
Chroma Systems Solutions, Inc.	The Corporation	Parent company	Purchase	304,132	100	Net 90 days after delivery	-	-	(118,020)	(100)	-
The Corporation	Chroma ATE (Suzhou) Ltd.	Subsidiary	(Sale)	(202,727)	(3)	Net 120 days after delivery	-	-	159,164	5	-
Chroma ATE (Suzhou) Ltd.	The Corporation	Parent company	Purchase	202,727	100	Net 120 days after delivery	-	-	(159,164)	(100)	-
The Corporation	Chroma Electronics (Shanghai) Co., Ltd.	Subsidiary	(Sale)	(143,081)	(2)	Net 120 days after delivery	-	-	90,848	3	-
Chroma Electronics (Shanghai) Co., Ltd.	The Corporation	Parent company	Purchase	143,081	100	Net 120 days after delivery	-	-	(90,848)	(100)	-
The Corporation	Chroma Japan Crop.	Subsidiary	(Sale)	(133,686)	(2)	Net 90 days after delivery	-	-	165,740	5	-
Chroma Japan Crop.	The Corporation	Parent company	Purchase	133,686	100	Net 90 days after delivery	-	-	(165,740)	(100)	-
Neworld Electronics Ltd.	Chroma Electronics (Shenzhen) Co., Ltd.	Subsidiary	(Sale)	(652,416)	(42)	Net 90 days	-	-	423,932	49	-
Chroma Electronics (Shenzhen) Co., Ltd.	Neworld Electronics Ltd.	Parent company	Purchase	652,416	59	Net 90 days	-	-	(423,932)	(68)	-

Note: The actual credit period longer than other customers, approximately 12 months.

CHROMA ATE INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period (Note)	Allowance for Impairment Loss
						Amount	Action Taken		
The Corporation	Neworld Electronics Ltd.	Subsidiary	Trade receivables	$ 646,266	2.78	$ -	-	$ 68,720	$ -
	Chroma USA	Subsidiary	Trade receivables	412,725	3.34	-	-	71,581	-
	Testar Electronic Corporation	Subsidiary	Trade receivables	118,784	0.47	-	-	-	-
	Chroma System Solutions, Inc.	Subsidiary	Trade receivables	118,020	2.97	-	-	35,665	-
			Other receivables - financing provided	117,607	-	-	-	-	-
	Chroma Electronics (Shenzhen) Co., Ltd.	Subsidiary	Trade receivables	215,834	4.19	-	-	35,630	-
	Chroma Japan Corp.	Subsidiary	Trade receivables	165,740	1.25	-	-	-	-
			Other receivables - financing provided	36,359	-	-	-	-	-
	Chroma ATE Europe B.V.	Subsidiary	Trade receivables	154,930	2.31	-	-	-	-
	Chroma ATE (Suzhou) Ltd.	Subsidiary	Trade receivables	159,164	2.15	-	-	14,071	-
Neworld Electronics Ltd.	Chroma Electronics (Shenzhen) Co., Ltd.	Subsidiary	Trade receivables	423,932	2.46	-	-	43,512	-
			Other receivables	101,686	-	-	-	-	-
Chroma Electronics (Shenzhen) Co., Ltd.	Chroma ATE (Suzhou) Ltd.	Same parent company	Trade receivables	112,706	1.47	-	-	10,786	-

Note: As of November 2, 2017.

CHROMA ATE INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Company Name	Counterparty	Flow of Transactions (Note 1)	Transaction Details			Percentage to Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
0	The Corporation	Neworld Electronics Ltd.	a	Operating revenue	$ 1,376,449	Note 2	14
		Chroma USA	a	Operating revenue	777,738	Note 2	8
		Chroma Electronics (Shenzhen) Co., Ltd.	a	Operating revenue	441,771	Note 2	5
		Chroma Systems Solutions, Inc.	a	Operating revenue	304,132	Note 2	3
		Chroma Europe	a	Operating revenue	240,236	Note 2	2
		Chroma ATE (Suzhou) Ltd.	a	Operating revenue	202,727	Note 2	2
		Chroma Electronics (Shanghai) Co., Ltd.	a	Operating revenue	143,081	Note 2	1
		Chroma Japan	a	Operating revenue	133,686	Note 2	1
		Quantel Private Ltd.	a	Operating revenue	96,620	Note 2	1
		Testar Electronic Co.	a	Operating revenue	42,811	Note 2	-
		Chroma USA	a	Operating costs	70,438	Based on regular terms	1
		Testar Electronic Co.	a	Rental revenue	10,371	Based on regular terms	-
		Chroma Electronics (Shanghai) Co., Ltd.	a	Commissions expense	11,453	Based on regular terms	-
		Neworld Electronics Ltd.	a	Other revenue	19,422	Based on regular terms	-
		Neworld Electronics Ltd.	a	Trade receivables	646,266	Based on regular terms	3
		Chroma USA	a	Trade receivables	412,725	Based on regular terms	2
		Chroma Electronics (Shenzhen) Co., Ltd.	a	Trade receivables	215,834	Based on regular terms	1
		Chroma Japan	a	Trade receivables	165,740	Based on regular terms	1
		Chroma ATE (Suzhou) Ltd.	a	Trade receivables	159,164	Based on regular terms	1
		Chroma Europe	a	Trade receivables	154,930	Based on regular terms	1
		Testar Electronic Co.	a	Trade receivables	118,784	Note 3	1
		Chroma Systems Solutions, Inc.	a	Trade receivables	118,020	Based on regular terms	1
		Chroma Electronics (Shanghai) Co., Ltd.	a	Trade receivables	90,848	Based on regular terms	-
		Quantel Private Ltd.	a	Trade receivables	32,853	Based on regular terms	-
		Chroma Systems Solutions, Inc.	a	Other receivables - financing provided	117,607	Based on regular terms	1
		Chroma Japan	a	Other receivables - financing provided	36,359	Based on regular terms	-
		Testar Electronic Co.	a	Other receivables	66,433	Based on regular terms	-
		Neworld Electronics Ltd.	a	Other receivables	20,996	Based on regular terms	-
		Wei Kuang Automatic Equipment Co., Ltd.	a	Other receivables	65,000	Based on regular terms	-
		Wei Kuang Automatic Equipment Co., Ltd.	a	Prepayments	11,700	Based on regular terms	-
		Chroma USA	a	Trade payables	12,030	Based on regular terms	-
1	Chroma USA	Chroma Japan	b	Operating revenue	19,840	Based on regular terms	-
		Chroma Japan	b	Operating costs	53,671	Based on regular terms	1
		Chroma Japan	b	Trade receivables	23,233	Based on regular terms	-
		Chroma Japan	b	Trade payables	26,401	Based on regular terms	-

(Continued)

No.	Company Name	Counterparty	Flow of Transactions (Note 1)	Transaction Details			Percentage to Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
2	Neworld Electronics Ltd.	Chroma Electronics (Shenzhen) Co., Ltd.	a	Operating revenue	$ 652,416	Based on regular terms	7
		Chroma ATE (Suzhou) Ltd.	b	Operating revenue	68,823	Based on regular terms	1
		Chroma Electronics (Shanghai) Co., Ltd.	a	Operating revenue	37,188	Based on regular terms	-
		Chroma ATE (Suzhou) Ltd.	b	Commissions expense	29,233	Based on regular terms	-
		Chroma Electronics (Shenzhen) Co., Ltd.	a	Commissions expense	25,564	Based on regular terms	-
		Chroma Electronics (Shanghai) Co., Ltd.	a	Commissions expense	16,803	Based on regular terms	-
		Chroma Electronics (Shenzhen) Co., Ltd.	a	Trade receivables	423,932	Based on regular terms	2
		Chroma ATE (Suzhou) Ltd.	b	Trade receivables	45,638	Based on regular terms	-
		Chroma Electronics (Shanghai) Co., Ltd.	a	Trade receivables	10,310	Based on regular terms	-
		Chroma Electronics (Shenzhen) Co., Ltd.	a	Other receivables	101,686	Based on regular terms	-
		Wei Kuang Automatic Equipment Co., Ltd.	b	Prepayments	121,143	Based on regular terms	1
		Wei Kuang Automatic Equipment (Nanjin) Co., Ltd.	b	Receipts in advance	121,163	Based on regular terms	1
3	Chroma Electronics (Shenzhen) Co., Ltd.	Chroma ATE (Suzhou) Ltd.	b	Operating revenue	86,014	Based on regular terms	1
		Chroma Electronics (Shanghai) Co., Ltd.	b	Operating revenue	67,551	Based on regular terms	1
		Chroma ATE (Suzhou) Ltd.	b	Operating costs	10,467	Based on regular terms	-
		Chroma ATE (Suzhou) Ltd.	b	Trade receivables	112,706	Based on regular terms	1
		Chroma Electronics (Shanghai) Co., Ltd.	b	Trade receivables	74,255	Based on regular terms	-
4	Chroma Electronics (Shanghai) Co., Ltd.	Chroma ATE (Suzhou) Ltd.	b	Operating costs	15,638	Based on regular terms	-
5	Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Wei Kuang Automatic Equipment Co., Ltd.	b	Operating costs	18,019	Based on regular terms	-
		Wei Kuang Automatic Equipment (Nanjin) Co., Ltd.	b	Receipts in advance	15,974	Based on regular terms	-

Note 1: a. From parent to subsidiary.
b. Between subsidiaries.

Note 2: The prices were determined after taking the selling and post-sale service expenses into consideration.

Note 3: The collection periods of about 12 months were longer than those for third parties.

(Concluded)

CHROMA ATE INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2017	December 31, 2016	Shares (Thousands)	Percentage of Ownership	Carrying Amount			
The Corporation	Neworld Electronics Ltd.	Hong Kong	Sale and maintenance of electronic test instruments, etc.	$ 271,873	$ 271,873	64,013	100.0	$ 763,173	$ 156,832	$ 156,832	Subsidiary
	San Eagle Development Corp.	British Virgin Islands	Investment	186,514	186,514	2,050	100.0	584,161	52,110	52,110	Subsidiary
	Adlink Technology Inc.	New Taipei, Taiwan	Manufacturing, processing and retailing of software/hardware of computers and peripherals	165,146	165,146	24,502	11.3	518,032	301,285	34,162	Associate
	Chroma New Material Corporation	Taoyuan, Taiwan	Sale and processing of gold wire	480,715	480,715	25,000	100.0	413,572	17,925	17,925	Subsidiary
	Wei Kuang Automatic Equipment Co., Ltd.	Hsinchu, Taiwan	Design, manufacturing, installment and testing of automated factory conveyor systems	533,000	533,000	10,000	100.0	382,198	131,423	131,252	Subsidiary
	CHI Incorporation Ltd.	British Virgin Islands	Test of inductance, capacitance and resistance, and sale of parts	122,884	122,884	3,830	100.0	111,663	13,626	13,626	Subsidiary
	Quantel Private Ltd.	Singapore	Sale and maintenance of test instruments, etc.	112,328	112,328	1,914	60.0	111,380	8,488	4,254	Subsidiary
	Chen Hwa Technology Inc.	British Virgin Islands	Test of inductance, capacitance and resistance, and sale of parts	98,217	98,217	3,085	100.0	100,324	448	448	Subsidiary
	Chroma Investment Co., Ltd.	New Taipei, Taiwan	Investment	80,000	80,000	14,000	100.0	113,972	7,589	1,419	Subsidiary
	Chroma ATE Europe B.V.	The Netherlands	Sale and maintenance of electronic test instruments etc.	54,026	54,026	1	100.0	75,828	17,711	17,708	Subsidiary
	DynaScan Technology Corp.	Taoyuan, Taiwan	Research and manufacture of LED generators	238,746	238,746	9,841	27.3	95,457	25,786	7,039	Associate
	Chroma USA	USA	Sale and maintenance of electronic test instruments, etc.	29,895	29,895	1,000	100.0	128,150	55,931	56,286	Subsidiary
	Sensational Holding Ltd.	British Virgin Islands	Investment	38,301	38,301	1,200	100.0	50,779	720	720	Subsidiary
	Adivic Technology Co.	Taipei, Taiwan	Sale and research of RF device	193,800	142,800	12,240	51.0	62,616	(44,437)	(24,171)	Subsidiary
	Chroma Japan Corp.	Japan	Sale and maintenance of electronic test instruments, etc.	147,125	147,125	9	100.0	(60,304)	(15,473)	(15,474)	Subsidiary
	Chroma Systems Solutions, Inc.	USA	Sale and maintenance of electronic test instruments, etc.	29,628	29,628	120	25.0	(24,549)	36,103	9,026	Subsidiary
	Deep Red Holding Co., Ltd.	Mauritius	Investment	12,217	12,217	215	100.0	55,416	9,507	9,507	Subsidiary
	Chih Ho Shun Development Co., Ltd.	Taoyuan, Taiwan	Construction and development of residence, buildings and specialized field; construction and investment of public works	17,500	17,500	1,750	35.0	17,626	95	33	Joint venture
	Testar Electronic Corporation	Taoyuan, Taiwan	Testing of LED products	247,096	247,096	20,160	67.2	3,333	4,068	2,734	Subsidiary
	EVT Technology Co., Ltd.	Taoyuan, Taiwan	Manufacturing of motorcycles and its parts	27,623	27,623	2,658	53.2	(1,835)	(7,999)	(4,252)	Subsidiary
	Innovative Nanotech Incorporated	Taoyuan, Taiwan	Monitoring instruments of nanoparticles	20,000	-	2,000	100.0	19,933	(67)	(67)	Subsidiary
Chroma USA	Chroma Systems Solutions, Inc.	USA	Sale and maintenance of electronic test instruments, etc.	64	64	240	50.0	139,138	36,103	NA	Subsidiary
San Eagle Development Corp.	Wei Kuang Mech. Eng. Inc.	Mauritius	Investments	185,686	185,686	4,475	100.0	576,754	52,120	NA	Subsidiary
EVT Technology Co., Ltd.	Wei Da Electric Vehicle Co., Ltd.	Pingtung, Taiwan	Sale and lease of motorcycles	3,750	3,750	375	75.0	(3,869)	18	NA	Subsidiary
Advic Technology Co., Ltd.	Adivic Holding Corporation	Samoa	Sale and research of RF device	42,245	15,223	1,000	100.0	12,216	(4,952)	NA	Subsidiary

CHROMA ATE INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 2)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2017 (Note 3)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2017 (Note 3)	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Notes 4 and 5)	Carrying Amount as of September 30, 2017 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2017
					Outward	Inward						
Chroma Electronics (Shenzhen) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	$ 116,190 (HK$ 30,000)	b. Subsidiary of Neworld Electronics Ltd.	$ 132,178 (HK$ 1,200 US$ 3,853)	$ -	$ -	$ 132,178 (HK$ 1,200 US$ 3,853)	$ 91,793	100	$ 91,793	$ 540,812	$ -
Chroma Electronics (Shanghai) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	90,780 (US$ 3,000)	b. Subsidiary of Neworld Electronics Ltd.	101,993 (US$ 3,000)	-	-	101,993 (US$ 3,000)	32,227	100	32,227	99,587	-
Chroma (Shanghai) Trading Co., Ltd.	International and transit trading, commercial simple processing and commercial consulting service and etc.	81,702 (US$ 2,700)	b. Subsidiary of Chen Hwa Technology Inc.	84,988 (US$ 2,700)	-	-	84,988 (US$ 2,700)	468	100	468	84,993	-
Hangzhou New Material Chroma Co., Ltd.	Production and sale of semiconductor connecting materials	45,390 (US$ 1,500)	b. Subsidiary of Chen Hwa Technology Inc.	9,091 (US$ 285)	-	-	9,091 (US$ 285)	2,509	19	-	8,624	-
Chroma ATE (Suzhou) Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	114,988 (US$ 3,800)	b. Subsidiary of CHI Incorporation Ltd.	121,115 (US$ 3,800)	-	-	121,115 (US$ 3,800)	13,605	100	13,605	174,997	-
Wei Kuang Automatic Equipment (Nanjin) Co., Ltd.	Sale and maintenance of electronic equipment and factory conveyor systems	54,025 (RMB 11,871)	b. Subsidiary of Wei Kuang Mech. Eng. Inc.	43,751 (US$ 1,338)	-	-	43,751 (US$ 1,338)	3,981	100	3,981	208,138	-
Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Sale and maintenance of electronic equipment and factory conveyor systems	51,959 (RMB 11,417)	b. Subsidiary of Wei Kuang Mech. Eng. Inc.	49,935 (US$ 1,500)	-	-	49,935 (US$ 1,500)	47,014	100	47,014	283,964	-
Mou Kuan Technologies (Nanjin) Co., Ltd.	Assembly, sale and maintenance of factory conveyors and related systems and renders related after-sales services	7,905 (RMB 1,737)	b. Subsidiary of Wei Kuang Mech. Eng. Inc.	92,000 (US$ 2,836)	-	-	92,000 (US$ 2,836)	562	100	562	44,944	-
Sajet System Technology (Suzhou) Co., Ltd.	Research, development and design of computer network security systems and information management	38,110 (RMB 8,374)	b. Subsidiary of Deep Red Holding Co., Ltd.	(Note 9)	-	-	(Note 9)	9,655	100	9,655	55,411	-

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2017	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$635,051 (HK$1,200, US$19,312)	$725,060 (HK$1,400, US$22,076) (Note 6)	$7,287,020 (Note 7)

(Continued)

Note 1: Methods of investment have following type:

a. Direct investment in Mainland China.
b. Indirect investment in the Company of Mainland China through a third place.
c. Other

Note 2: The amounts of paid-in capital and carrying value as of September 30, 2017 were translated into New Taiwan dollars at the rates of HK$1=NT$3.873, US$1=NT$30.260, RMB1=NT$4.551 prevailing on September 30, 2017.

Note 3: The amounts of accumulated outflow of investment from Taiwan as of January 1, 2017 and September 30, 2017 were translated into New Taiwan dollars on the original outflow day.

Note 4: Based on unreviewed financial statements.

Note 5: Investment income (loss) was translated into New Taiwan dollars at the average rate of HK$1=NT$3.921, US$1=NT$30.539 and RMB1=NT$4.492 for the nine months ended September 30, 2017.

Note 6:

Approval Letter	Approved Amount	
a. Letter (1998) II-87710585 of Investment Commission of MOEA	NT$ 5,852	(HK$ 1,400)
b. Letter (2000) II-89014726 and 89037430 of Investment Commission of MOEA	NT$ 63,180	(US$ 2,000)
c. Letter (2001) II-89037430 of Investment Commission of MOEA	NT$ 33,160	(US$ 1,000)
d. Letter II-91048640 of Investment Commission of MOEA	NT$ 63,984	(US$ 1,853) (Note 8)
e. Letter II-90025170 of Investment Commission of MOEA	NT$ 60,240	(US$ 1,750)
f. Letter II-092020235 of Investment Commission of MOEA	NT$ 19,230	(US$ 560)
g. Letter II-092043358 of Investment Commission of MOEA	NT$ 6,748	(US$ 200)
h. Letter II-093004076 of Investment Commission of MOEA	NT$ 3,158	(US$ 95)
i. Letter II-094006092 of Investment Commission of MOEA	NT$ 6,896	(US$ 219)
j. Letter II-09500052120 of Investment Commission of MOEA	NT$ 81,528	(US$ 2,500)
k. Letter II-09600175700 of Investment Commission of MOEA	NT$ 120,000	(US$ 3,699)
l. Letter II-096000006020 of Investment Commission of MOEA	NT$ 66,580	(US$ 2,000)
m. Letter II-09600310110 of Investment Commission of MOEA	NT$ 33,160	(US$ 1,000)
n. Letter II-09700186010 of Investment Commission of MOEA	NT$ 46,110	(US$ 1,500)
o. Letter II-09700403210 of Investment Commission of MOEA	NT$ 7,096	(US$ 210) (Note 9)
p. Letter II-10400042770 of Investment Commission of MOEA	NT$ 78,240	(US$ 2,500)
q. Letter II-10600164500 of Investment Commission of MOEA	NT$ 29,898	(US$ 990)

Note 7: The upper limit on investment was calculated in accordance with the regulations of the Investment Commission of the Ministry of Economic Affairs for 60% of the net equity or consolidated net equity.

Note 8: The Corporation invested accounts receivable amounting to US$853 thousand in Chroma Electronics (Shenzhen) Co., Ltd. through Neworld Electronics Ltd.

Note 9: The investment in Sajet Technology Inc. (liquidated on September 15, 2008) was authorized by the Investment Commission in 2004.

(Concluded)