Chroma ATE Inc. and Subsidiaries

Consolidated Financial Statements for the
Nine Months Ended September 30, 2020 and 2019 and
Independent Auditors' Review Report

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Chroma ATE Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Chroma ATE Inc. and its subsidiaries (collectively referred to as the "Group") as of September 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

The financial statements of some non-significant subsidiaries included in the consolidated financial statements were unreviewed. As of September 30, 2020 and 2019, the unreviewed assets were 21.23% (NT$5,714,215 thousand) and 18.12% (NT$4,565,810 thousand), respectively, of the consolidated assets, and the unreviewed liabilities were 21.84% (NT$2,535,478 thousand) and 15.71% (NT$1,703,445 thousand), respectively, of the consolidated liabilities. The unreviewed comprehensive income for the three months ended September 30, 2020 and 2019 were (16.50%) (NT$(104,557) thousand) and 1.81% (NT$7,125 thousand), respectively, of the consolidated comprehensive income; and those of the unreviewed comprehensive income for the nine months ended September 30, 2020 and 2019 were 5.00% (NT$82,287 thousand) and 12.65% (NT$155,766 thousand), respectively, of the consolidated comprehensive income. In addition, as disclosed in Note 13 to the consolidated financial statements, the carrying values of some investments accounted for using equity method were 10.89% (NT$2,930,931 thousand) and 11.79% (NT$2,971,576 thousand) of the consolidated assets as of September 30, 2020 and 2019, respectively; and the related shares of comprehensive income of associates and joint ventures for the three months ended September 30, 2020 and 2019 were 7.99% (NT$50,658 thousand) and 2.82% (NT$11,091 thousand), respectively, of the consolidated comprehensive income; and those for the related shares of comprehensive income of associates and joint ventures for the nine months ended September 30, 2020 and 2019 were 3.95% (NT$65,055 thousand) and 3.96% (NT$48,752 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 non-significant subsidiaries and other investees accounted for using 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.

Qualified Conclusion

Based on our reviews, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2020 and 2019, its consolidated financial performance for the three months ended September 30, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Cheng-Ming Lee and Wen-Chi Kuo.

Cheng-Ming Lee

Deloitte & Touche
Taipei, Taiwan
Republic of China

October 29, 2020

<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, 2020 (Reviewed)		December 31, 2019 (Audited)		September 30, 2019 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 2,663,601	10	$ 2,261,531	9	$ 2,079,682	8
Financial assets at fair value through profit or loss - current (Note 7)	447,541	2	489,745	2	495,555	2
Financial assets at amortized cost - current (Notes 9 and 31)	960,587	4	703,368	3	340,768	1
Contract assets - current (Note 23)	1,267,740	5	1,258,046	5	806,572	3
Notes receivable (Notes 10 and 30)	43,015	-	174,921	1	118,204	1
Trade receivables (Note 10)	4,316,825	16	4,580,488	18	5,152,611	21
Trade receivables - related parties (Notes 10 and 30)	28,055	-	27,108	-	47,226	-
Inventories (Note 11)	3,033,664	11	2,664,658	10	2,631,184	10
Prepayments	332,988	1	248,583	1	325,184	1
Other current assets (Note 30)	151,118	-	203,794	1	219,849	1
Total current assets	13,245,134	49	12,612,242	50	12,216,835	48
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	4,649	-	4,762	-	5,179	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	657,079	2	612,367	2	596,116	2
Investments accounted for using equity method (Note 13)	2,930,931	11	2,911,230	11	2,971,576	12
Property, plant and equipment (Notes 14 and 31)	3,138,387	12	3,221,431	13	3,258,953	13
Right-of-use assets (Note 15)	155,192	1	146,462	1	146,085	1
Investment properties (Note 16)	3,137,187	12	3,137,187	12	3,137,187	13
Goodwill (Note 17)	223,644	1	225,996	1	228,829	1
Other intangible assets (Note 18)	54,008	-	42,605	-	44,158	-
Deferred tax assets	315,829	1	317,569	1	283,365	1
Prepayments for land and equipment (Note 33)	2,941,607	11	2,066,847	8	1,740,950	7
Refundable deposits	13,422	-	23,413	-	466,073	2
Other non-current assets	101,663	-	114,961	1	106,332	-
Total non-current assets	13,673,598	51	12,824,830	50	12,984,803	52
TOTAL	$ 26,918,732	100	$ 25,437,072	100	$ 25,201,638	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	$ 3,148,520	12	$ 2,352,800	9	$ 1,802,310	7
Contract liabilities - current (Notes 23 and 30)	641,356	3	706,857	3	986,598	4
Notes payable	13,716	-	38,031	-	62,276	-
Notes payable - related parties (Note 30)	201	-	3,054	-	9,616	-
Trade payables	2,359,010	9	2,589,773	10	2,659,657	11
Trade payables - related parties (Note 30)	3,206	-	3,008	-	9,868	-
Other payables (Note 20)	1,116,060	4	1,340,917	6	1,078,773	4
Current tax liabilities	273,596	1	323,323	1	366,218	2
Lease liabilities - current (Note 15)	60,477	-	60,059	-	67,221	-
Current portion of long-term borrowings (Notes 19 and 31)	13,880	-	27,763	-	13,206	-
Other current liabilities	73,324	-	28,602	-	33,351	-
Total current liabilities	7,703,346	29	7,474,187	29	7,089,094	28
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 31)	3,075,963	11	2,422,051	10	3,043,710	12
Deferred tax liabilities	561,034	2	484,147	2	459,006	2
Lease liabilities - non-current (Note 15)	97,326	-	88,138	-	80,360	-
Net defined benefit liabilities (Note 21)	153,936	1	163,089	1	151,587	1
Guarantee deposits received	20,000	-	20,000	-	20,569	-
Total non-current liabilities	3,908,259	14	3,177,425	13	3,755,232	15
Total liabilities	11,611,605	43	10,651,612	42	10,844,326	43
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)						
Ordinary share capital	4,207,484	16	4,192,961	17	4,190,926	17
Advance receipts for share capital	20,662	-	13,724	-	12,169	-
Capital surplus	3,735,931	14	3,629,471	14	3,606,309	14
Retained earnings						
Legal reserve	2,592,487	9	2,407,039	10	2,407,039	10
Special reserve	176,128	1	86,888	-	86,888	-
Unappropriated earnings	4,479,585	17	4,382,043	17	3,792,216	15
Total retained earnings	7,248,200	27	6,875,970	27	6,286,143	25
Other equity	(192,211)	(1)	(187,651)	(1)	4,160	-
Treasury shares	(33,745)	-	(35,714)	-	(35,714)	-
Total equity attributable to owners of the Corporation	14,986,321	56	14,488,761	57	14,063,993	56
NON-CONTROLLING INTERESTS	320,806	1	296,699	1	293,319	1
Total equity	15,307,127	57	14,785,460	58	14,357,312	57
TOTAL	$ 26,918,732	100	$ 25,437,072	100	$ 25,201,638	100

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

(With Deloitte & Touche review report dated October 29, 2020)

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			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 23 and 30)	$ 4,155,091	100	$ 3,408,181	100	$ 11,354,608	100	$ 9,431,826	100
OPERATING COSTS (Notes 11, 24 and 30)	2,151,414	52	1,759,022	51	5,742,102	51	4,848,790	52
GROSS PROFIT	2,003,677	48	1,649,159	49	5,612,506	49	4,583,036	48
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	(37)	-	(17)	-	-	-	-	-
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	-	-	-	-	3	-	102	-
REALIZED GROSS PROFIT	2,003,640	48	1,649,142	49	5,612,509	49	4,583,138	48
OPERATING EXPENSES (Notes 10, 24 and 30)								
Selling and marketing expenses	507,730	12	526,606	15	1,519,826	14	1,546,215	16
General and administrative expenses	294,279	7	254,664	8	831,475	7	756,595	8
Research and development expenses	345,694	8	335,045	10	989,721	9	954,497	10
Expected credit loss (gain)	146,698	4	(29,927)	(1)	243,688	2	(15,685)	-
Total operating expenses	1,294,401	31	1,086,388	32	3,584,710	32	3,241,622	34
PROFIT FROM OPERATIONS	709,239	17	562,754	17	2,027,799	17	1,341,516	14
NON-OPERATING INCOME AND EXPENSES								
Finance costs (Note 24)	(12,574)	-	(15,599)	-	(43,900)	-	(37,259)	-
Share of profit of associates and joint ventures (Note 13)	34,592	1	11,618	-	84,675	1	45,543	1
Interest income	3,265	-	4,782	-	10,290	-	18,394	-
Dividend income	15,232	-	31,107	1	19,402	-	39,409	-
Other income (Note 30)	25,006	1	18,124	1	89,414	1	48,661	1
Gain on disposal of property, plant and equipment, net	439	-	5,109	-	4,819	-	11,993	-
Net foreign exchange (loss) gain (Note 33)	(20,870)	(1)	(25,070)	(1)	(52,644)	(1)	39,573	-
Gain on disposal on equity investments	-	-	-	-	480	-	-	-
(Loss) gain on financial assets (liabilities) at fair value through profit or loss, net	(6,919)	-	(788)	-	(7,522)	-	2,803	-
Other expenses	(873)	-	(247)	-	(2,276)	-	(1,338)	-
Total non-operating income and expenses	37,298	1	29,036	1	102,738	1	167,779	2
PROFIT BEFORE INCOME TAX	746,537	18	591,790	18	2,130,537	18	1,509,295	16
INCOME TAX EXPENSE (Note 25)	157,869	4	101,227	3	460,509	4	243,712	3
NET PROFIT FOR THE PERIOD	588,668	14	490,563	14	1,670,028	15	1,265,583	13

(Continued)

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			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	$ (4,247)	-	$ (46,745)	(1)	$ 45,144	1	$ (22,248)	-
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method	-	-	(32)	-	(7)	-	(40)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	33,143	1	(49,824)	(2)	(49,415)	(1)	(15,049)	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	16,066	-	(495)	-	(19,613)	-	3,249	-
Total other comprehensive loss (income)	44,962	1	(97,096)	(3)	(23,891)	-	(34,088)	-
TOTAL COMPREHENSIVE INCOME	$ 633,630	15	$ 393,467	12	$ 1,646,137	14	$ 1,231,495	13
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Corporation	$ 582,959	14	$ 479,574	14	$ 1,637,230	15	$ 1,250,530	13
Non-controlling interests	5,709	-	10,989	-	32,798	-	15,053	-
	$ 588,668	14	$ 490,563	14	$ 1,670,028	15	$ 1,265,583	13
COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Corporation	$ 629,887	15	$ 384,491	12	$ 1,622,030	14	$ 1,215,797	13
Non-controlling interests	3,743	-	8,976	-	24,107	-	15,698	-
	$ 633,630	15	$ 393,467	12	$ 1,646,137	14	$ 1,231,495	13
EARNINGS PER SHARE (NT$; Note 26)								
Basic	$ 1.39		$ 1.16		$ 3.92		$ 3.03	
Diluted	$ 1.38		$ 1.14		$ 3.89		$ 2.99	

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

(With Deloitte & Touche review report dated October 29, 2020) (Concluded)

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 the Financial Statements of Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefit	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2019	$ 4,167,794	$ -	$ 3,469,637	$ 2,152,411	$ 86,888	$ 4,555,760	$ 6,795,059	$ (104,872)	$ 160,493	$ (42,377)	$ 13,244	$ (35,714)	$ 14,410,020	$ 280,329	$ 14,690,349
Appropriation of 2018 earnings															
Legal reserve	-	-	-	254,628	-	(254,628)	-	-	-	-	-	-	-	-	-
Cash dividends - NT$4.2 per share	-	-	-	-	-	(1,750,896)	(1,750,896)	-	-	-	-	-	(1,750,896)	-	(1,750,896)
Change in capital surplus from investments in associates accounted for using the equity method	-	-	(133)	-	-	-	-	-	-	-	-	-	(133)	-	(133)
Net profit for the nine months ended September 30, 2019	-	-	-	-	-	1,250,530	1,250,530	-	-	-	-	-	1,250,530	15,053	1,265,583
Other comprehensive income (loss) for the nine months ended September 30, 2019	-	-	-	-	-	(8)	(8)	(12,445)	(22,280)	-	(34,725)	-	(34,733)	645	(34,088)
Total comprehensive income (loss) for the nine months ended September 30, 2019	-	-	-	-	-	1,250,522	1,250,522	(12,445)	(22,280)	-	(34,725)	-	1,215,797	15,698	1,231,495
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-	(1,009)	(1,009)	-	(1,009)
Cancelation of treasury shares	(1,009)	-	-	-	-	-	-	-	-	-	-	1,009	-	-	-
Adjustment of capital surplus for corporation's cash dividends received by subsidiaries	-	-	8,003	-	-	-	-	-	-	-	-	-	8,003	-	8,003
Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition	-	-	-	-	-	(1,324)	(1,324)	-	-	-	-	-	(1,324)	1,324	-
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(7,218)	(7,218)	-	-	-	-	-	(7,218)	7,218	-
Exercise of employee share options	24,141	12,169	108,951	-	-	-	-	-	-	-	-	-	145,261	-	145,261
Share-based payment transaction	-	-	19,851	-	-	-	-	-	-	25,641	25,641	-	45,492	-	45,492
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,250)	(11,250)
BALANCE AT SEPTEMBER 30, 2019	$ 4,190,926	$ 12,169	$ 3,606,309	$ 2,407,039	$ 86,888	$ 3,792,216	$ 6,286,143	$ (117,317)	$ 138,213	$ (16,736)	$ 4,160	$ (35,714)	$ 14,063,993	$ 293,319	$ 14,357,312
BALANCE AT JANUARY 1, 2020	$ 4,192,961	$ 13,724	$ 3,629,471	$ 2,407,039	$ 86,888	$ 4,382,043	$ 6,875,970	$ (331,073)	$ 154,946	$ (11,524)	$ (187,651)	$ (35,714)	$ 14,488,761	$ 296,699	$ 14,785,460
Appropriation of 2019 earnings															
Legal reserve	-	-	-	185,448	-	(185,448)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	89,240	(89,240)	-	-	-	-	-	-	-	-	-
Cash dividends - NT$3.0 per share	-	-	-	-	-	(1,265,000)	(1,265,000)	-	-	-	-	-	(1,265,000)	-	(1,265,000)
Change in capital surplus from investments in associates accounted for using the equity method	-	-	(1,027)	-	-	-	-	-	-	-	-	-	(1,027)	-	(1,027)
Net profit for the nine months ended September 30, 2020	-	-	-	-	-	1,637,230	1,637,230	-	-	-	-	-	1,637,230	32,798	1,670,028
Other comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	-	-	(60,337)	45,137	-	(15,200)	-	(15,200)	(8,691)	(23,891)
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	1,637,230	1,637,230	(60,337)	45,137	-	(15,200)	-	1,622,030	24,107	1,646,137
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-	(1,235)	(1,235)	-	(1,235)
Cancelation of treasury shares	(1,176)	-	-	-	-	-	-	-	-	-	-	1,176	-	-	-
Stocks of the parent company disposed of by the subsidiary and recognized as treasury shares transaction	-	-	16,629	-	-	-	-	-	-	-	-	2,028	18,657	-	18,657
Adjustment of capital surplus for the Corporation's cash dividends received by subsidiaries	-	-	5,760	-	-	-	-	-	-	-	-	-	5,760	-	5,760
Disposal of equity investment	-	-	(22)	-	-	-	-	-	-	-	-	-	(22)	-	(22)
Exercise of employee share options	15,699	6,938	78,181	-	-	-	-	-	-	-	-	-	100,818	-	100,818
Share-based payment transaction	-	-	6,939	-	-	-	-	-	-	10,640	10,640	-	17,579	-	17,579
BALANCE AT SEPTEMBER 30, 2020	$ 4,207,484	$ 20,662	$ 3,735,931	$ 2,592,487	$ 176,128	$ 4,479,585	$ 7,248,200	$ (391,410)	$ 200,083	$ (884)	$ (192,211)	$ (33,745)	$ 14,986,321	$ 320,806	$ 15,307,127

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

(With Deloitte & Touche review report dated October 29, 2020)

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	
	2020	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,130,537	$ 1,509,295
Adjustments for:		
Depreciation expenses	317,804	332,649
Amortization expenses	8,042	4,593
Expected credit loss (gain) recognized on trade receivables	243,688	(15,685)
Net loss (gain) on financial assets at fair value through profit or loss	7,522	(2,803)
Finance costs	43,900	37,259
Interest income	(10,290)	(18,394)
Dividend income	(19,402)	(39,409)
Compensation costs of share-based payments	17,115	45,146
Share of profit of associates and joint ventures accounted for using the equity method	(84,675)	(45,543)
Gain on disposal of property, plant and equipment	(4,819)	(11,993)
Gain on disposal of equity investment	(480)	-
Write-downs of inventories	44,680	14,176
Realized gain on transactions with associates and joint ventures	(3)	(102)
Net loss on foreign currency exchange	20,111	11,814
Net changes in operating assets and liabilities		
Contract assets	(9,694)	38,592
Notes receivable	131,906	15,300
Trade receivables	(10,351)	(443,553)
Inventories	(461,044)	(274,155)
Prepayments	(84,405)	(149,383)
Other current assets	94,742	71,960
Contract liabilities	(373,501)	98,265
Notes payable	(27,168)	(75,437)
Trade payables	(223,884)	254,257
Other payables	(206,735)	(170,575)
Other current liabilities	44,722	(496)
Net defined benefit liabilities	(9,153)	(8,467)
Cash generated from operations	1,579,165	1,177,311
Income tax paid	(475,787)	(310,264)
Net cash generated from operating activities	1,103,378	867,047
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in financial assets at amortized cost	(362,754)	-
Decrease in financial assets at amortized cost	102,505	73,677
Payments to acquire financial assets at fair value through profit or loss	(430,792)	(540,000)
Proceeds from disposal of financial assets at fair value through profit or loss	500,601	1,394,820

(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	
	2020	**2019**
Payments to acquire associates	$ -	$ (2,342,340)
Net cash inflow on disposal of equity investment	688	-
Increase in prepayments for investments	(21,157)	-
Increase in advance real estate receipts	308,000	-
Payments for property, plant and equipment	(116,612)	(86,432)
Proceeds from disposal of property, plant and equipment	35,286	38,473
Decrease in refundable deposits	9,991	675
Payments for intangible assets	-	(2,619)
Decrease (increase) in other non-current assets	2,517	(9,732)
Increase in prepayments for equipment	(928,424)	(676,253)
Interest received	10,680	20,314
Dividends received	63,510	71,262
Net cash used in investing activities	(825,961)	(2,058,155)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	800,000	993,950
Proceeds from long-term borrowings	1,068,874	1,600,000
Repayments of long-term borrowings	(422,316)	(512,327)
Increase in guarantee deposits	-	19,603
Repayment of the principal portion of lease liabilities	(82,657)	(82,505)
Dividends paid by cash	(1,271,232)	(1,750,572)
Exercise of employee share options	100,818	145,261
Payments for buy-back of ordinary shares	(1,235)	(1,009)
Proceeds from reissuance of treasury stock	18,657	-
Acquisition of subsidiaries	-	(11,250)
Interest paid	(44,007)	(37,102)
Net cash generated from financing activities	166,902	364,049
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(42,249)	(17,216)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	402,070	(844,275)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,261,531	2,923,957
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 2,663,601	$ 2,079,682

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

(With Deloitte & Touche review report dated October 29, 2020) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 (NT$).

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on October 29, 2020.

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

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

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
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 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

(Concluded)

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

Note 2: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, 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.

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 interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated 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, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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 an 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 an 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, 2019.

Refer to Note 12, Table 9 and Table 10 for the detailed information of subsidiaries, including the percentage of ownership and main business.

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2019.

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, 2019.

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	September 30, 2020	December 31, 2019	September 30, 2019
Cash on hand	$ 3,062	$ 4,300	$ 4,517
Checking accounts and demand deposits	2,517,683	2,173,071	2,069,773
Cash equivalents - time deposits	142,856	84,160	5,392
	$ 2,663,601	$ 2,261,531	$ 2,079,682

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2020	December 31, 2019	September 30, 2019
Mandatorily at FVTPL - current			
Non-derivative financial assets			
Domestic listed shares	$ 4,176	$ 4,070	$ 3,653
Domestic unlisted shares	44,138	-	-
Open-end beneficiary certificates	399,227	485,675	491,902
	$ 447,541	$ 489,745	$ 495,555
Mandatorily at FVTPL - non-current			
Non-derivative financial assets			
Open-end beneficiary certificates	$ 4,649	$ 4,762	$ 5,179

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2020	December 31, 2019	September 30, 2019
Investments in equity instruments - non-current			
Domestic listed ordinary shares	$ 356,050	$ 407,798	$ 387,278
Domestic unlisted ordinary shares	293,673	200,037	203,673
Foreign unlisted ordinary shares	7,356	4,532	5,165
	$ 657,079	$ 612,367	$ 596,116

These investments in equity instruments are held for medium to long-term strategic purposes. Refer to Table 3 for the detailed information. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST - CURRENT

	September 30, 2020	December 31, 2019	September 30, 2019
Time deposits with original maturities of more than 3 months	$ 207,022	$ 218,734	$ 272,720
Pledged deposits (Notes 31)	753,565	484,634	68,048
	$ 960,587	$ 703,368	$ 340,768

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	September 30, 2020	December 31, 2019	September 30, 2019
Gross carrying amount at amortized cost	$ 4,791,249	$ 4,943,476	$ 5,328,454
Less: Allowance for impairment loss	(431,409)	(188,067)	(94,980)
	4,359,840	4,755,409	5,233,474
Gross carrying amount at amortized cost - related parties			
Notes receivable	-	-	37,341
Trade receivables	28,055	27,108	47,226
	$ 4,387,895	$ 4,782,517	$ 5,318,041

The average credit period for sales of goods is 60 to 120 days from the date when the goods were inspected and accepted by customers. 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 regularly 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 Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to the past default experience of the customers, the customers' current financial position, economic condition of the industry in which the customers operate. As the Group's historical credit loss experience does not show other factors that matter significantly, the expected credit loss rate is based on the past due status of trade receivables.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The aging schedule of notes receivable and trade receivables based on the past due days was as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Not past due	$ 3,298,993	$ 3,275,402	$ 2,795,950
Past due 1- 60 days	417,884	485,492	452,600
Past due 61-180 days	222,479	332,789	491,530
Past due 181-365 days	202,470	512,691	1,490,752
Past due over 365 days	649,423	337,102	97,622
	$ 4,791,249	$ 4,943,476	$ 5,328,454

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	For the Nine Months Ended September 30	
	2020	2019
Balance at January 1	$ 188,067	$ 126,330
Add: Impairment loss	245,851	-
Less: Reversal of impairment loss	(2,163)	(15,685)
Less: Amounts written off	(44)	(15,252)
Foreign exchange gains and losses	(302)	(413)
Balance at September 30	$ 431,409	$ 94,980

11. INVENTORIES

	September 30, 2020	December 31, 2019	September 30, 2019
Finished goods	$ 748,092	$ 607,211	$ 551,044
Semi-finished products	564,625	380,866	394,646
Work in process	380,502	682,687	729,080
Raw materials	1,340,445	993,894	956,414
	$ 3,033,664	$ 2,664,658	$ 2,631,184

The cost of inventories recognized as cost of goods sold for the three months and the nine months ended September 30, 2020 was $1,828,217 thousand, $5,191,071 thousand, respectively, which included the inventory write-downs of $22,768 thousand and $44,680 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months and the nine months ended September 30, 2019 was $1,495,726 thousand and $4,168,216 thousand, respectively, which included the inventory write-downs of $6,155 thousand and write-downs of $14,176 thousand, respectively.

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

			Percentage of Ownership			
Investor	Investee	Business	September 30, 2020	December 31, 2019	September 30, 2019	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	
	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 Electronics Corporation	Testing of LED products	67.2	67.2	67.2	
	Deep Red Holding Co., Ltd.	Investment	100.0	100.0	100.0	

(Continued)

Investor	Investee	Business	Percentage of Ownership September 30, 2020	December 31, 2019	September 30, 2019	Remark
	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	74.1	74.1	74.1	Note 2
	EVT Technology Co., Ltd.	Manufacturing of motorcycles and its parts	85.6	85.6	85.6	
	Quantel Private Ltd.	Sale and maintenance of test instruments, etc.	60.0	60.0	60.0	
The Corporation	Innovative Nanotech Incorporated	Monitoring instruments of nanoparticles	71.1	71.1	71.1	
	Touch Cloud Incorporation	Development of could platform and Internet of Things systems	78.1	78.1	78.1	
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	Note 4
Adivic Technology Co.	Adivic Holding Corporation	Sale and research of RF device	100.0	100.0	100.0	
Quantel Private Ltd.	Quantel Technologies India Private Ltd.	Sale and maintenance of test instruments, etc.	100.0	100.0	100.0	
	Quantel Global Vietnam Co., Ltd.	Sale and maintenance of test instruments, etc.	100.0	100.0	100.0	
	Quantel Global Sdn. Bhd.	Sale and maintenance of test instruments, etc.	100.0	100.0	100.0	
	Quantel Global Philippines Corporation	Sale and maintenance of test instruments, etc.	100.0	100.0	100.0	
Chroma ATE Europe B.V.	Chroma Germany GmbH	Sale and maintenance of electronic test instruments, etc.	100.0	100.0	100.0	
Chroma Investment Co., Ltd.	Testar Electronics Corporation	Testing of LED products	15.0	15.0	15.0	Note 3

(Concluded)

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

Note 2: In May 2019, Adivic Technology Co. ("Adivic") decreased its capital by $150,000 thousand to make up for losses and increased its capital by $80,000 thousand subsequently. The Corporation's board of directors resolved to participate in the capital injection. The Corporation's equity interest in Adivic rose to 74.1% after the cash injection.

Note 3: The Group's subsidiary, Chroma Investment Co., Ltd. purchased 15% equity interest of Testar Electronics Corporation from WI Harper Fund VII LP in January 2019 to strengthen equity structure.

Note 4: The Group's subsidiary, Wei Da Electric Vehicle Co., Ltd., had completed its liquidation procedures on October 15, 2020.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2020	December 31, 2019	September 30, 2019
Investments in associates	$ 2,913,801	$ 2,893,609	$ 2,953,939
Investments in joint ventures	17,130	17,621	17,637
	$ 2,930,931	$ 2,911,230	$ 2,971,576

a. Investments in associates

	September 30, 2020		December 31, 2019		September 30, 2019	
	Amount	Percentage of Equity Interest (%)	Amount	Percentage of Equity Interest (%)	Amount	Percentage of Equity Interest (%)
Associates that are not individually material						
Adlink Technology Inc.	$ 508,612	11.3	$ 538,926	11.3	$ 523,603	11.3
Dynascan Technology Corp.	135,172	27.3	123,748	27.3	125,337	27.3
Camtek Ltd.	2,270,017	20.2	2,230,935	20.2	2,304,999	20.3
	$ 2,913,801		$ 2,893,609		$ 2,953,939	

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

Name of Associate	September 30, 2020	December 31, 2019	September 30, 2019
Adlink Technology Inc.	$ 1,614,039	$ 1,176,108	$ 1,198,160
Camtek Ltd.	$ 3,498,758	$ 2,538,193	$ 2,276,088

In view of future development strategy and improvement of operating performance, the Group’s board of directors resolved on February 11, 2019, to subscribe equity interest of Camtek Ltd. for US$9.5 per share. Included in the cost of investment in associates was goodwill of $658,931 thousand recognized from the acquisition of Camtek Ltd.

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.

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, 2020 and 2019 was based on the associate’s financial statements that have not been reviewed.

b. Investments in joint ventures

	September 30, 2020		December 31, 2019		September 30, 2019	
	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.	$ 17,130	35.0	$ 17,621	35.0	$ 17,637	35.0

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 held 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 the investments for the nine months ended September 30, 2020 and 2019 was based on the joint ventures' financial statements that have not been reviewed.

14. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2020	December 31, 2019	September 30, 2019
Land	$ 1,208,138	$ 1,209,760	$ 1,212,392
Buildings	1,261,778	1,322,955	1,346,357
Machinery	131,302	149,227	155,104
Miscellaneous equipment	537,169	539,489	545,100
	$ 3,138,387	$ 3,221,431	$ 3,258,953

Except for depreciation recognized, the Group had no significant additions, disposals, and impairment of property, plant and equipment for the nine months ended September 30, 2020 and 2019. The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	
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	3-16 years

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

15. LEASE ARRANGEMENTS

The Group leases certain buildings, machinery and miscellaneous equipment which qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases. Right-of-use assets recognized is mainly offices, factory buildings and equipment. Refer to Note 24 for interest incurred from lease liabilities.

16. INVESTMENT PROPERTIES

	September 30, 2020	December 31, 2019	September 30, 2019
Land	$ 3,137,187	$ 3,137,187	$ 3,137,187

The Group acquired the land ownership certificates of the investment and development plan, "The Action Plan of Developing Land Surrounding the MRT Airport Station to Improve Civilian's Life" in the third quarter of 2018 and transferred the part of land held for undetermined future use to investment properties. Refer to Note 32. The determination of fair value was performed by independent qualified professional valuers, and the fair value was measured by using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The significant unobservable inputs used include discount rates and the fair value as appraised.

	September 30, 2020	December 31, 2019	September 30, 2019
Fair value	$ 13,727,067	$ 13,727,067	$ 13,588,172

In the third quarter of 2019, the Group entered into a co-building contract with Fu Yu Construction Co., Ltd. (Fu Yu Construction) to jointly build a building located in Lejie section, Guishan District, Taoyuan City. The construction project adopts a jointly constructed manner. The Group provided the lands and Fu Yu Construction provided fund to construct. The area will be distributed to the Group and Fu Yu Construction for 47% and 53%, respectively. According to the co-building contract, Fu Yu Construction should pay $20,000 thousand (recognized as guarantee deposit received) and $240,000 thousand guaranteed note to the Group when signing the contract. Additional $20,000 thousand guarantee deposit should be paid within five business days after the building construction registration is approved and within five business days after the approval of underground bottom plate inspection, respectively.

17. GOODWILL

	For the Nine Months Ended September 30	
	2020	2019
Cost		
Balance, beginning of the period	$ 225,996	$ 227,961
Net effect of exchange differences	(2,352)	868
Balance, end of the period	$ 223,644	$ 228,829

Refer to Note 17 in the consolidated financial statements for the year ended December 31, 2019 for goodwill impairment assessment. There was no significant evidence indicating impairment of goodwill as of September 30, 2020.

18. OTHER INTANGIBLE ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
Licenses and franchises	$ 30,271	$ 31,621	$ 32,070
Computer software	16,206	201	221
Patents	6,972	9,385	10,189
Customer relationships	559	1,398	1,678
	$ 54,008	$ 42,605	$ 44,158

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Patents	5 years
Licenses and franchises	20 years
Customer relationships	5 years
Computer software	5-10 years

19. BORROWINGS

a. Short-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
Unsecured borrowings			
Bank loans	$ 3,148,520	$ 2,352,800	$ 1,802,310

As of September 30, 2020, December 31, 2019 and September 30, 2019, the interest rate on the bank loans was 0.52%-4.75%, 0.72%-4.75% and 0.72%-5.00%.per annum, respectively.

b. Long-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
Secured borrowings			
Bank loans (1) (Note 31)	$ 494,026	$ 449,814	$ 456,916
Unsecured borrowings			
Bank loans (2)	2,550,000	2,000,000	2,600,000
Government loans (3)	45,817	-	-
	3,089,843	2,449,814	3,056,916
Less: Current portions	13,880	27,763	13,206
	$ 3,075,963	$ 2,422,051	$ 3,043,710

1) Secured by the Group's financial assets at amortized cost and property, plant and equipment. The final repayment period of those bank loans will be due in February 2023 to February 2027. As of September 30, 2020, December 31, 2019 and September 30, 2019, the effective interest rates on the bank loans were 0.85%-4.99%, 1.16%-5.00% and 1.17%-5.50% per annum, respectively.

2) The bank loans are for the purpose of general operation with due date in June 2026. As of September 30, 2020, December 31, 2019 and September 30, 2019, the interest rates on the bank loans were 0.76%-0.89%, 1.00%-1.07% and 1.00%-1.20% per annum, respectively.

3) Due to the impact of Coronavirus pandemic, the U.S. federal government passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and established a Paycheck Protection Program (PPP) to support small businesses, so as to ensure that they would be able to continue as a going concern, and their workers would remain on the payroll during the period of pandemic and economic crisis.

   The Group's subsidiary, Chroma Systems Solutions, Inc., obtained a loan of US $1,574 thousand which was approved by the authorized bank of Small Business Administration (SBA) in April 2020. The loan was mainly used to pay salaries and relevant expenses. Loan forgiveness could be applied if certain conditions are met. The unforgiven portion of principal of the loan must be repaid within 2 years with a fixed interest of 1 %.

   The conditions related to the loan forgiveness are set out below, and the amount of forgiveness will be affected if all the conditions are not met.

   a) The proceeds from PPP loan should be used to pay costs eligible for forgiveness over the specified period, and the payroll costs must be equal to at least 60% of the forgiveness amount.

   b) There should be no reduction in the number of employees or average hours paid during the specified period compared to the reference period, unless the reduction is reversed no later than the earlier of the submission date for the loan forgiveness application and December 31, 2020.

   c) The average annual salary or hourly wage during the specified period for each employee whose principal place of residence is in the United States and received compensation at an annualized rate of less than or equal to US $100 thousand should be at least 75% of such employee's average annual salary or hourly wage between January 1, 2020 and March 31, 2020.

   As the aforementioned conditions could be amended at any time and Chroma Systems Solutions, Inc. has not submitted the loan forgiveness application, the forgiveness amount cannot be reasonably estimated.

20. OTHER PAYABLES

	September 30, 2020	December 31, 2019	September 30, 2019
Salaries and bonus (including employee's compensation and remuneration of directors)	$ 722,869	$ 816,871	$ 744,016
Others	393,191	524,046	334,757
	$ 1,116,060	$ 1,340,917	$ 1,078,773

21. RETIREMENT BENEFIT PLANS

For the three months ended and nine months ended September 30, 2020 and 2019, the pension expenses of defined benefit plans were $1,187 thousand, $3,570 thousand, $1,398 thousand and $4,195 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2019 and 2018, respectively.

22. EQUITY

a. Ordinary share capital

	September 30, 2020	December 31, 2019	September 30, 2019
Number of shares authorized (in thousands)	500,000	500,000	500,000
Shares authorized	$ 5,000,000	$ 5,000,000	$ 5,000,000
Number of shares issued and fully received (in thousands)	420,748	419,296	419,093
Shares issued	$ 4,207,484	$ 4,192,961	$ 4,190,926

The authorized shares include 30,000 thousand shares allocated for the exercise of employee share options. The change in the Corporation's share capital is mainly due to the exercise of employee share options and the cancel of employee restricted shares.

b. Capital surplus

	September 30, 2020	December 31, 2019	September 30, 2019
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Additional paid-in capital	$ 2,892,673	$ 2,814,492	$ 2,804,358
Treasury share transactions	210,193	187,804	187,804
Consolidation excess	146,976	146,976	146,976
May be used to offset a deficit only			
Additional paid-in capital			
Employee share options exercised	196,877	167,723	163,892
Employee restricted shares vested	197,134	116,588	116,588
Employee share options expired	13,751	13,564	13,051
Share of changes in capital surplus of associates or joint ventures	53,311	54,360	43,977
May not be used for any purpose			
Employee share options	19,743	46,438	48,136
Employee restricted shares	5,273	81,526	81,527
	$ 3,735,931	$ 3,629,471	$ 3,606,309

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

c. Retained earnings and dividends policy

The shareholders of the Corporation held their regular meeting on June 18, 2019 and in that meeting, resolved the amendments to the Corporation's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

Under the dividends policy as set forth in the Articles, where the Corporation made a 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 the distribution of dividends and bonus to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, please refer to d. employees' compensation and remuneration of directors in Note 24.

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 the 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.

An 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 deficit 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.

The appropriations of earnings for 2019 and 2018, which have been approved in the annual shareholders' meetings on June 10, 2020 and on June 18, 2019, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For Fiscal Year 2019	**For Fiscal Year 2018**	**For Fiscal Year 2019**	**For Fiscal Year 2018**
Legal reserve	$ 185,448	$ 254,628		
Special reserve	89,240	-		
Cash dividend	1,265,000	1,750,896	$ 3.0	$ 4.2

d. Special reserve

If a special reserve appropriated on the first-time adoption of IFRSs relates to exchange differences on translation of the financial statements of foreign operations (including the subsidiaries of the Corporation), the special reserve will be reversed on a proportionate basis according to the Corporation's disposal of foreign operations; on the Corporation's loss of significant influence, however, the entire special reserve will be reversed. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance of other equity items and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent to the reversal of other equity items and may be thereafter distributed.

e. Other equity items

For the nine months ended September 30, 2020	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Unearned Employee Benefit
Balance at January 1, 2020	$ (331,073)	$ 154,946	$ (11,524)
Exchange differences on translating foreign operations	(40,637)	-	-
Unrealized gain arising from equity investment	-	45,144	-
Share of other comprehensive loss of associates accounted for using the equity method	(19,613)	(7)	-
Share-based payment transactions	-	-	10,640
Disposal of equity investments	(87)	-	-
Balance at September 30, 2020	$ (391,410)	$ 200,083	$ (884)
For the nine months ended September 30, 2019			
Balance at January 1, 2019	$ (104,872)	$ 160,493	$ (42,377)
Exchange differences on translating foreign operations	(15,694)	-	-
Unrealized gain arising from equity investment	-	(22,248)	-
Share of other comprehensive gain of associates accounted for using the equity method	3,249	(32)	-
Share-based payment transaction	-	-	25,641
Balance at September 30, 2019	$ (117,317)	$ 138,213	$ (16,736)

f. Non-controlling interests

	For the Nine Months Ended September 30	
	2020	2019
Balance, beginning of the period	$ 296,699	$ 280,329
Share of non-controlling interests		
Net profit	32,798	15,053
Exchange differences on translating the financial statements of foreign entities	(8,691)	645
Effect of changes in equity interest	-	7,218
Acquisition of non-controlling interests in subsidiary	-	(9,926)
Balance, end of the period	$ 320,806	$ 293,319

g. Treasury shares

The Group's shares held by its subsidiary, Chroma Investment Co., Ltd., at the end of the reporting periods were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Number of shares held (in thousands of shares)	1,806	1,916	1,916
Carrying amount	$ 33,288	$ 35,714	$ 35,714
Market price	$ 276,254	$ 277,759	$ 281,590

Forfeited employee restricted shares of 123 thousand were returned to the Corporation and 117 thousand shares were canceled for the nine months ended September 30, 2020. Forfeited employee restricted shares of 101 thousand were returned to the Corporation and canceled for the nine months ended September 30, 2019.

The Group's subsidiary, Chroma Investment Co., Ltd. disposed 110 thousand shares of the Corporation for the nine months ended September 30, 2020.

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

23. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Revenue from contracts with customers				
Revenue from sale of goods	$ 3,726,795	$ 3,038,306	$ 10,619,675	$ 8,559,626
Construction contract revenue	202,758	294,999	508,805	696,544
Other revenue	225,538	74,876	226,128	175,656
	$ 4,155,091	$ 3,408,181	$ 11,354,608	$ 9,431,826

a. Contract balances

	September 30, 2020	December 31, 2019	September 30, 2019
Contract assets - construction of properties (1)	$ 1,267,740	$ 1,258,046	$ 806,572
Contract liabilities - construction of properties (1)	$ 21,666	$ 59,440	$ 625,444
Contract liabilities - sale of goods (1)	311,690	647,417	361,154
Contract liabilities - advance real estate receipts (2)	308,000	-	-
	$ 641,356	$ 706,857	$ 986,598

1) The changes in the balance of contract liabilities primarily result from the timing difference between the Group's performance and respective customer's payment.

2) In order to revitalize assets, increase working capital and repay debts, the Corporation's board of directors resolved to sell the plant and land in Hwa Ya Technology Park to its related party, Adlink Technology, on July 3, 2020.

   The transaction price, which amounted to $3.08 billion, was determined with reference to the appraisal results of independent real estate appraisers. The transaction is expected to be settled before March 31, 2021. In addition, the Corporation will lease back part of the building as plant and employee's dormitories with a lease term of at least 5 years. The Corporation had received 10% of the contract price as deposit in July 2020.

b. Disaggregation of revenue

   Refer to Note 35 for the information about the disaggregation of revenue.

24. ADDITIONAL INFORMATION ON EXPENSES

a. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Interest on borrowings	$ 10,695	$ 14,313	$ 39,297	$ 32,974
Interest on lease liabilities	1,879	1,286	4,603	4,285
	$ 12,574	$ 15,599	$ 43,900	$ 37,259

b. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
An analysis of depreciation by function				
Operating costs	$ 19,934	$ 20,561	$ 60,473	$ 63,957
Operating expenses	84,843	88,839	257,331	268,692
	$ 104,777	$ 109,400	$ 317,804	$ 332,649
An analysis of amortization by function				
Operating expenses	$ 3,924	$ 1,543	$ 8,042	$ 4,593

c. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Short-term benefits	$ 822,479	$ 824,057	$ 2,549,592	$ 2,460,279
Share-based payments (Note 27)	4,840	21,514	17,115	45,146
Post-employment benefits				
Defined contribution plans	24,337	23,797	70,617	68,902
Defined benefit plans (Note 21)	1,187	1,398	3,570	4,195
Other employee benefits	18,212	15,653	49,643	47,824
	$ 871,055	$ 886,419	$ 2,690,537	$ 2,626,346
Summarized by function				
Operating costs	$ 130,115	$ 141,944	$ 413,383	$ 418,362
Operating expenses	740,940	744,475	2,277,154	2,207,984
	$ 871,055	$ 886,419	$ 2,690,537	$ 2,626,346

d. Employees' compensation and remuneration of directors

According to the Articles, the Corporation accrued employees' compensation and remuneration of directors 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. For the three months and nine months ended September 30, 2020 and 2019, the employees' compensation and remuneration of directors are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30			
	2020	2019	2020		2019	
	Amount	Amount	Amount	Rate %	Amount	Rate %
Employees' compensation	$ 100,845	$ 73,000	$ 287,845	12.67	$ 193,000	12.02
Remuneration of directors	$ 2,400	$ 2,400	$ 7,200	0.32	$ 7,200	0.45

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

The appropriations for employees' compensation and remuneration of directors for 2019 and 2018 that were resolved by the board of directors on February 26, 2020 and February 21, 2019, respectively, are as shown below:

	For the Year Ended December 31	
	2019	2018
Employees' compensation - cash	$ 290,000	$ 240,000
Remuneration of directors - cash	9,600	9,600

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

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

25. INCOME TAXES

a. Major components of income tax expense recognized in profit or loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	**2019**	**2020**	**2019**
Current tax				
In respect of the current period	$ 155,029	$ 106,658	$ 403,843	$ 265,052
Income tax on unappropriated earnings	-	-	14,990	36,104
Adjustments for prior year	(35,004)	(3,129)	(34,613)	(59,241)
	120,025	103,529	384,220	241,915
Deferred tax				
In respect of the current period	37,844	(2,302)	76,289	1,797
Income tax expense recognized in profit or loss	$ 157,869	$ 101,227	$ 460,509	$ 243,712

b. Income tax assessments

The Corporation's income tax returns through 2017 have been assessed by the tax authorities.

The income tax returns through 2018 of the Corporation's subsidiaries - Chroma New Material Corp., Wei Kuang Automatic Equipment Co., Chroma Investment Co., Adivic Technology Co., Testar Electronics Corp., EVT Technology Co., Ltd., Wei Da Electric Vehicle Co., Ltd., Innovative Nanotech Inc. and Touch Cloud Inc. have been assessed by the tax authorities.

26. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	**2019**	**2020**	**2019**
Earnings used in the computation of basic and diluted earnings per share	$ 582,959	$ 479,574	$ 1,637,230	$ 1,250,530

Shares

(In Thousands of Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	**2019**	**2020**	**2019**
Weighted average number of ordinary shares used in the computation of basic earnings per share	418,889	414,733	417,247	413,383
Effect of potentially dilutive ordinary shares:				
Employee share options	948	2,258	1,391	2,538
Employee restricted shares	45	1,095	44	1,085
Employees' compensation	1,881	1,313	2,269	1,637
Weighted average number of ordinary shares used in the computation of diluted earnings per share	421,763	419,399	420,951	418,643

If 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.

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan

The Corporation had not granted employee share options for the nine months ended September 30, 2020 and 2019. Information on employee share options is as follows:

	For the Nine Months Ended September 30			
	2020		**2019**	
	Number of Options (In Thousands of Units)	**Weighted-average Exercise Price (NT$)**	**Number of Options (In Thousands of Units)**	**Weighted-average Exercise Price (NT$)**
Balance at January 1	3,136	$ 59.8	6,006	$ 59.0
Options exercised	(1,692)	59.6	(2,618)	55.5
Balance at September 30	1,444	58.7	3,388	59.8
Options exercisable, end of the period	1,444		1,151	

b. Employee share option plan of subsidiaries

Adivic Technology Co. granted its employees share options of 1,360 thousand units on March 12, 2014, with each option eligible to subscribe for one common share of Adivic Technology Co. when exercised. The options are valid for 8 years and exercisable at certain percentages subsequent to the second year of the grant date.

Employee share options issued were all 785 units (in thousand) with weighted-average exercise price of NT$10, there were no changes for the nine months ended September 30, 2020 and 2019.

The qualified employees of Touch Cloud Inc. were granted 470 thousand units of share options in April 2020, each option entitled the holders to subscribe for one common share of Touch Cloud Inc. upon exercised. The options granted are valid for 5 years and exercisable at certain percentages from the second anniversary of the grant date. The exercise price is $10 per share according to the terms of the employee stock option plan.

Information on employee share options is as follows:

	For the Nine Months Ended September 30, 2020	
Employee Share Options	**Number of Options (In Thousands of Units)**	**Weighted-average Exercise Price (NT$)**
Balance at January 1	-	$ -
Options granted	470	10.00
Balance at September 30	470	10.00
Options exercisable, end of the period	-	
Weighted-average fair value of options granted (NT$)		$ 0.19

The above-mentioned employee stock options used Black-Scholes model to determine the fair value of the options. The valuation assumptions on the grant date were as follows:

	April 2020
Stock price on the grant date	$3.71/per stock
Exercise price	$10/per stock
Expected volatility	36.64%-38.24%
Expected life	3.5-4.5 years
Expected dividends rate	-
Risk-free interest rate	0.39%-0.42%

c. Restricted shares for employees

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 Group 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. Dividends from RSUs are not restricted during the vesting period and 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 is as follows:

	For the Nine Months Ended September 30	
	2020	**2019**
Restricted shares at the beginning of the period	1,285	2,273
Shares vested	(1,110)	(887)
Shares canceled	(123)	(110)
Restricted shares at the end of the period	52	1,285

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 not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximates their fair values.

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
September 30, 2020				
Financial assets at FVTPL				
Domestic listed equity securities	$ 4,176	$ -	$ -	$ 4,176
Domestic unlisted equity securities	-	-	44,138	44,138
Open-end beneficiary certificates	399,227	-	4,649	403,876
	$ 403,403	$ -	$ 48,787	$ 452,190
Financial assets at FVTOCI				
Domestic listed equity securities	$ 356,050	$ -	$ -	$ 356,050
Domestic unlisted equity securities	-	-	293,673	293,673
Foreign unlisted equity securities	-	-	7,356	7,356
	$ 356,050	$ -	$ 301,029	$ 657,079
December 31, 2019				
Financial assets at FVTPL				
Domestic listed equity securities	$ 4,070	$ -	$ -	$ 4,070
Open-end beneficiary certificates	485,675	-	4,762	490,437
	$ 489,745	$ -	$ 4,762	$ 494,507
Financial assets at FVTOCI				
Domestic listed equity securities	$ 407,798	$ -	$ -	$ 407,798
Domestic unlisted equity securities	-	-	200,037	200,037
Foreign unlisted equity securities	-	-	4,532	4,532
	$ 407,798	$ -	$ 204,569	$ 612,367

(Continued)

	Level 1	Level 2	Level 3	Total
September 30, 2019				
Financial assets at FVTPL				
Domestic listed equity securities	$ 3,653	$ -	$ -	$ 3,653
Open-end beneficiary certificates	491,902	-	5,179	497,081
	$ 495,555	$ -	$ 5,179	$ 500,734
Financial assets at FVTOCI				
Domestic listed equity securities	$ 387,278	$ -	$ -	$ 387,278
Domestic unlisted equity securities	-	-	203,673	203,673
Foreign unlisted equity securities	-	-	5,165	5,165
	$ 387,278	$ -	$ 208,838	$ 596,116

(Concluded)

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2020 and 2019.

2) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of domestic unlisted equity securities and open-end beneficiary certificates are determined by using the asset approach and the market approach. Asset approach evaluates the total market value of individual asset and liability of the evaluated target, taking into account the risk factors (lack of marketability, etc.) to estimate the fair value. Market approach refers to the transaction prices in active market of the listed companies engaging in similar business, related price multiplier, transaction and information implied by the transaction price, to arrive at their fair value.

c. Categories of financial instruments

	September 30, 2020	December 31, 2019	September 30, 2019
Financial assets			
Financial assets at FVTPL			
Mandatorily at FVTPL	$ 452,190	$ 494,507	$ 500,734
Financial assets at amortized cost (1)	8,115,458	7,934,228	8,352,243
Financial assets at FVTOCI			
Equity instruments	657,079	612,367	596,116
Financial liabilities			
Financial liabilities at amortized cost (2)	9,750,556	8,797,397	8,699,985

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, other receivables (classified as other current assets) and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term loans, notes payable, trade payables, other payables, 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 investments, cash and cash equivalents, receivables, long-term and short-term borrowings and trade payables. 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 NT$ strengthened/weakened by 5% against the relevant currency, the pre-tax profit would have decreased/increased by $226,843 thousand and $243,029 thousand for the nine months ended September 30, 2020 and 2019, 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 floating 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, 2020	December 31, 2019	September 30, 2019
Fair value interest rate risk			
Financial assets	$ 1,103,443	$ 787,528	$ 346,160
Financial liabilities	1,890,139	1,494,735	448,120
Cash flow interest rate risk			
Financial assets	2,517,683	2,173,071	2,069,773
Financial liabilities	4,506,027	3,456,076	4,558,687

Sensitivity analysis

The sensitivity analysis below has been determined on the basis of the exposure to interest rates for both derivative and non-derivative 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, 2020 and 2019 would decrease/increase by $7,456 thousand and increase/decrease by $9,333 thousand, respectively, which was mainly a result of the Group's exposure to cash flow risk from variable-rate deposits and bank loans.

c) Price risk

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

i. Investments in financial assets at FVTOCI (mainly investments in domestic and foreign stocks), which are held for strategic rather than trading purposes. The Group does not actively trade these investments.

ii. Financial assets at FVTPL (mainly investments in domestic and foreign open-end beneficiary certificates and listed stocks in Taiwan)

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

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, the pre-tax profit for the nine months ended September 30, 2020 and 2019 would have increased/decreased by $22,610 thousand and $25,037 thousand as a result of the changes in fair values of financial assets at FVTPL, respectively, and the pre-tax other comprehensive income for the nine months ended September 30, 2020 and 2019 would have increased/decreased by $32,854 thousand and $29,806 thousand as a result of the changes in fair values of financial assets at FVTOCI, 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 would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, 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 trade receivables, 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, 2020, December 31, 2019 and September 30, 2019, the Group's available unutilized bank loan facilities were $3,798,420 thousand, $3,518,960 thousand and $4,399,749 thousand, respectively.

<u>Liquidity and interest risk tables for non-derivative financial liabilities</u>

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, 2020		
	Within 1 Year	1 to 5 Years	More Than 5 Years
Non-interest bearing	$ 3,492,193	$ -	$ -
Fixed interest rate instruments	1,608,445	79,801	87,987
Floating interest rate instruments	1,593,444	2,693,322	296,085
Lease liabilities	65,868	94,122	5,224
	$ 6,759,950	$ 2,867,245	$ 389,296

	December 31, 2019		
	Within 1 Year	1 to 5 Years	More Than 5 Years
Non-interest bearing	$ 3,974,783	$ -	$ -
Fixed interest rate instruments	1,184,603	121,187	95,784
Floating interest rate instruments	1,232,195	1,942,083	720,000
Lease liabilities	72,912	85,054	8,271
	$ 6,464,493	$ 2,148,324	$ 824,055

	September 30, 2019		
	Within 1 Year	1 to 5 Years	More Than 5 Years
Non-interest bearing	$ 3,820,190	$ -	$ -
Fixed interest rate instruments	211,670	36,416	101,298
Floating interest rate instruments	1,645,916	2,536,191	484,601
Lease liabilities	78,900	93,822	-
	$ 5,756,676	$ 2,666,429	$ 585,899

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 PARTIES

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
Camtek Ltd.	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 Technology Co., Ltd. ("Mou Kuan Tec.")	Other related party
Quantel Co., Ltd. ("Quantel Thailand")	Other related party
Quantel Sdn. Bhd. ("Quantel Malaysia")	Other related party
Quantel Philippines Inc. ("Quantel Philippines")	Other related party
PT Quantel ("Quantel Indonesia")	Other related party
Quantel Electronics (India) Private Limited ("Quantel India")	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	**2020**	**2019**	**2020**	**2019**
Associates	$ 5,213	$ 13,192	$ 14,689	$ 44,104
Other related parties	6,853	20,667	30,835	52,126
	$ 12,066	$ 33,859	$ 45,524	$ 96,230

c. Purchases

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Categories	**2020**	**2019**	**2020**	**2019**
Associates	$ 3,573	$ 2,632	$ 15,453	$ 8,271
Other related parties	5,151	13,603	12,239	44,993
	$ 8,724	$ 16,235	$ 27,692	$ 53,264

d. Contract liabilities

Related Party Categories	Related Party	September 30, 2020	December 31, 2019	September 30, 2019
Associates	Adlink Technology Inc.	$ 308,000	$ -	$ -

Refer to Note 23 for related transactions.

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

Line Item	Related Party Categories	September 30, 2020	December 31, 2019	September 30, 2019
Trade receivables - related parties	Associates	$ 6,329	$ 3,027	$ 3,746
	Other related parties	21,726	24,081	43,480
		$ 28,055	$ 27,108	$ 47,226
Notes receivable	Associates	$ -	$ -	$ 37,341

Outstanding trade receivables from related parties are unsecured.

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

Line Item	Related Party Categories	September 30, 2020	December 31, 2019	September 30, 2019
Notes payable - related parties	Other related parties	$ 201	$ 3,054	$ 9,616
Trade payables - related parties	Associates	$ 3,206	$ 2,973	$ 2,688
	Other related parties	-	35	7,180
		$ 3,206	$ 3,008	$ 9,868

g. Others

Line Items	Related Party Categories	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2020	2019	2020	2019
Rental income	Associates	$ 315	$ 315	$ 945	$ 945
Rental expense	Other related parties	$ 3,150	$ 3,150	$ 9,450	$ 9,450
Administration expense	Associates	$ 154	$ -	$ 217	$ -
	Other related parties	1,117	3,398	3,236	7,585
		$ 1,271	$ 3,398	$ 3,453	$ 7,585

Line Item	Related Party Categories	September 30, 2020	December 31, 2019	September 30, 2019
Other current assets	Associates	$ 3,174	$ 3,898	$ 3,679
	Other related parties	15	-	-
		$ 3,189	$ 3,898	$ 3,679

h. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Short-term employee benefits	$ 37,998	$ 31,038	$ 110,301	$ 90,071
Post-employment benefits	608	594	1,827	1,837
	$ 38,606	$ 31,632	$ 112,128	$ 91,908

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 AS COLLATERAL OR FOR SECURITY

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

	September 30, 2020	December 31, 2019	September 30, 2019
Property, plant and equipment, net	$ 925,546	$ 960,124	$ 964,910
Pledge deposits (classified as financial assets measured at amortized cost)	753,565	484,634	68,048
	$ 1,679,111	$ 1,444,758	$ 1,032,958

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. On January 17, 2012, the Corporation, Dynapack International Corporation and Heran 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:

   1) 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 by bid deposit $353,040 thousand and cash.

   2) 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.

   3) 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 installment $536,729 thousand and the remaining part of the third installment $875,716 thousand, respectively.

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

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

   b) 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 Corporation has paid the fourth installment $716,362 thousand in June 2018 and obtained the property registration over the land from the MOI. 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. The Corporation has recognized the land of self-use and the land of undetermined future use to property, plant and equipment and investment properties, respectively. Please refer to Notes 14 and 16.

b. The unrecorded contractual commitments are resulted from the development plan for the land surrounding the MRT airport station. The contracts stipulate the Group should pay relevant expense during the construction period. As of September 30, 2020, the unrecorded commitments amounted to $710,098 thousand.

c. Chroma's subsidiary, MAS Automation Corporation ("MAS"), entered into an Equipment Purchase Agreement ("Agreement") with LINCO Technology Co., Ltd ("LINCO") in 2017, in which MAS entrusted LINCO to manufacture automation equipment. However, LINCO failed to deliver a considerable number of important parts of the equipment to MAS; furthermore, LINCO rejected to perform its installation services under the Agreement. Hence, MAS claimed for a delay penalty of $2,503,659 thousand (around US$83,455 thousand) against LINCO, of which MAS filed a civil lawsuit on November 12, 2018 for $440,000 thousand, and the remaining penalty was reserved for the right to claim in the future. In addition, MAS submitted a petition to the court for provisional attachment against LINCO to secure its right, and offered a deposit in an amount of $440,000 thousand to the court. Whereas, LINCO conversely alleged that MAS breached its payment obligation under the Agreement. LINCO raised a counterclaim against MAS in the Taiwan Taoyuan District Court on October 30, 2019, claiming for the payment of $255,640 thousand (around US$8,240 thousand) along with the interest. On the other hand, LINCO asserted that it suffered from the provisional attachment which was submitted by MAS, and brought another civil lawsuit against MAS in the Taiwan Taichung District Court, claiming for the damage compensation of $505,521 thousand. The case had been pronounced by the court on July 30, 2020. The court rejected the compensatory damage and the request for claim of provisional execution by LINCO. As such, LINCO has the right to appeal the decision.

d. The global economic and financial development are facing significant uncertainty due to the outbreak of COVID-19 pandemic. As of the date the consolidated financial statements were authorized for issue, the Group assessed that the pandemic did not have material impact on its ability to continue as a going concern, impairment of assets and risks arising from financing activities. The Group continuously observes and assesses the impact of the pandemic on the aforementioned aspects.

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, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 114,985	29.100 (USD:NTD)	$ 3,346,067
USD	34,516	7.752 (USD:HKD)	1,004,405
USD	8,880	6.810 (USD:RMB)	258,397
USD	6,300	1.369 (USD:SGD)	183,317
RMB	167,420	1.137 (RMB:HKD)	714,717
RMB	150,962	4.269 (RMB:NTD)	644,457
RMB	34,445	0.147 (RMB:USD)	147,088
			$ 6,298,448
Non-monetary items			
USD	76,664	29.100 (USD:NTD)	$ 2,230,035
Financial liabilities			
Monetary items			
USD	30,795	29.100 (USD:NTD)	$ 896,137
USD	21,424	7.752 (USD:HKD)	623,443
RMB	56,689	1.137 (RMB:HKD)	242,007
			$ 1,761,587

December 31, 2019

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 120,936	29.980 (USD:NTD)	$ 3,625,640
USD	20,873	7.789 (USD:HKD)	625,778
USD	4,546	6.964 (USD:RMB)	136,300
USD	6,941	1.346 (USD:SGD)	208,076
RMB	128,179	1.118 (RMB:HKD)	551,809
RMB	99,768	4.305 (RMB:NTD)	429,501
RMB	34,308	0.144 (RMB:USD)	147,695
			$ 5,724,799

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Non-monetary items			
USD	$ 74,414	29.980 (USD:NTD)	$ 2,230,935
Financial liabilities			
Monetary items			
USD	33,898	29.980 (USD:NTD)	$ 1,016,276
USD	20,622	7.789 (USD:HKD)	618,253
RMB	32,022	0.144 (RMB:USD)	137,856
			$ 1,772,385

(Concluded)

September 30, 2019

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 136,866	31.040 (USD:NTD)	$ 4,248,321
USD	17,056	7.842 (USD:HKD)	529,418
USD	6,779	1.381 (USD:SGD)	210,420
USD	3,893	7.073 (USD:RMB)	120,839
RMB	175,691	4.350 (RMB:NTD)	764,256
RMB	116,345	1.099 (RMB:HKD)	506,101
RMB	34,257	0.140 (RMB:USD)	149,018
			$ 6,528,373
Non-monetary items			
USD	74,266	31.040 (USD:NTD)	$ 2,304,999
Financial liabilities			
Monetary items			
USD	30,858	31.040 (USD:NTD)	$ 957,832
USD	19,575	7.842 (USD:HKD)	607,608
RMB	23,531	1.099 (RMB:HKD)	102,360
			$ 1,667,800

For the three months ended September 30, 2020 and 2019, (realized and unrealized) net foreign exchange gains (losses) were $(20,871) thousand and $(25,070) thousand, respectively. For the nine months ended September 30, 2020 and 2019, (realized and unrealized) net foreign exchange gains (losses) were $(52,645) thousand and $39,573 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 ventures): Table 3 (attached)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: Table 4 (attached)

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: Table 5.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 6 (attached)

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

9) Trading in derivative instruments: None.

10) Others: Intercompany relationships and significant intercompany transactions: Table 8 (attached)

11) Information on investees: Table 9 (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 10 (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 6 (attached)

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 6 (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: Table 2 (attached).

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (attached).

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.

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: None.

35. SEGMENT INFORMATION

Information reported to the Group's 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 revenue and results

	Special Materials Department	Test Instrument Department	Automatic Equipment Department	Other	Elimination	Total
For the nine months ended September 30, 2020						
Revenue from external customers	$ 1,785,087	$ 8,834,899	$ 508,805	$ 225,817	$ -	$ 11,354,608
Inter-segment revenue	7	6,475,993	133,463	579	(6,610,042)	-
Segment revenue	$ 1,785,094	$ 15,310,892	$ 642,268	$ 226,396	$ (6,610,042)	11,354,608
Consolidated revenue						$ 11,354,608
Segment income	$ 29,814	$ 2,127,278	$ (176,876)	$ (6,836)	$ 54,419	$ 2,027,799
Non-operating income and expenses						102,735
Profit before tax						$ 2,130,534
For the nine months ended September 30, 2019						
Revenue from external customers	$ 1,435,399	$ 7,123,769	$ 696,544	$ 176,114	$ -	$ 9,431,826
Inter-segment revenue	7	4,946,223	89,166	821	(5,036,217)	-
Segment revenue	$ 1,435,406	$ 12,069,992	$ 785,710	$ 176,935	$ (5,036,217)	9,431,826
Consolidated revenue						$ 9,431,826
Segment income	$ 26,281	$ 1,253,843	$ 86,901	$ (46,524)	$ 21,015	$ 1,341,516
Non-operating income and expenses						167,779
Profit before tax						$ 1,509,295

The sales between segments are based on market prices.

The above segment revenue were generated through transactions with external customers and among segments. The inter-segment revenue for the nine months ended September 30, 2020 and 2019 had been adjusted and eliminated from the consolidated financial statements.

Segment profit represents the profit 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, 2020	December 31, 2019	September 30, 2019
Segment assets			
Special materials department	$ 1,000,612	$ 917,695	$ 846,307
Test instrument department	22,558,805	20,841,251	20,352,513
Automatic equipment department	2,727,301	2,623,567	3,658,899
Other	283,112	291,373	299,465
Adjustments and eliminations	(4,988,871)	(4,307,795)	(4,648,105)
Total segment assets	21,580,959	20,366,091	20,509,079
Investments and other unallocated assets	5,337,773	5,070,981	4,692,559
Consolidated total assets	$ 26,918,732	$ 25,437,072	$ 25,201,638
Segment liabilities			
Special materials department	$ 696,902	$ 688,616	$ 620,711
Test instrument department	6,318,004	6,393,940	5,806,546
Automatic equipment department	1,392,751	1,614,286	2,672,608
Others	84,997	105,984	106,568
Adjustments and eliminations	(3,680,446)	(3,443,503)	(3,680,339)
Total segment liabilities	4,812,208	5,359,323	5,526,094
Borrowings and other unallocated liabilities	6,799,397	5,292,289	5,318,232
Consolidated total liabilities	$ 11,611,605	$ 10,651,612	$ 10,844,326

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 the equity method, investments in financial instruments 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, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 4)	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	$ 113,099	$ 108,734	$ 108,734	3.25%	a	$ 285,624	-	$ -	-	$ -	$ 1,498,632 (Note 1)	$ 2,997,264 (Note 2)
		Chroma Japan Corp.	Other receivables	Y	102,000	102,000	82,676	1.30%	a	80,738	-	-	-	-	1,498,632 (Note 1)	2,997,264 (Note 2)

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: The amounts listed in columns were translated into New Taiwan dollars at the exchange rate of US$1=NT$29.100, JPY1=NT$0.276, as of September 30, 2020.

Note 4: 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, 2020
(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 Japan Corp.	Subsidiary	$ 2,247,948	$ 27,600	$ 27,600	$ 19,320	$ -	0.18%	$ 4,495,896	Y	-	-
		Chroma ATE Europe B.V.	Subsidiary	2,247,948	51,225	51,225	34,150	-	0.34%	4,495,896	Y	-	-
		Chroma ATE Inc.	Subsidiary	2,247,948	145,500	145,500	145,500	-	0.97%	4,495,896	Y	-	-
		Sajet System Technology (Suzhou) Co., Ltd.	Subsidiary	2,247,948	21,345	21,345	-	-	0.14%	4,495,896	Y	-	Y
		Chroma Electronics (Shanghai) Co., Ltd.	Subsidiary	2,247,948	42,690	42,690	1,504	-	0.28%	4,495,896	Y	-	Y
		Chroma ATE (Suzhou) Co., Ltd.	Subsidiary	2,247,948	85,380	85,380	1,786	-	0.57%	4,495,896	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 amounts listed in columns were translated into New Taiwan dollars at the exchange rate of US$1=NT$29.100, JPY1=NT$0.276, RMB1=NT$4.269, EUR1=NT$34.150 as of September 30, 2020.

TABLE 3

CHROMA ATE INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT CONTROLLED ENTITIES)
SEPTEMBER 30, 2020
(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, 2020				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
The Corporation	Fund							
	WI Harper INC Fund VII LP	-	Financial assets at fair value through profit or loss - non-current	-	$ 4,649	-	$ 4,649	-
	Stocks							
	DynaColor, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	6,050	176,669	6.1	176,669	-
	Tian Zheng International Precision Machinery Co., Ltd.	-	〃	2,681	135,105	8.1	135,105	-
	Chunghwa Telecom Co., Ltd.	-	〃	412	44,125	-	44,125	-
	China Communications Media Group Co., Ltd.	-	〃	26	151	-	151	-
	WK Technology Fund IX Ltd.	-	〃	4,614	52,212	4.6	52,212	-
	Twoway Catv Service Inc.	-	〃	3,561	52,091	4.4	52,091	-
	WK Technology Fund IV Ltd.	-	〃	806	4,236	1.9	4,236	-
	WK Technology Fund VI Ltd.	-	〃	723	2,589	1.4	2,589	-
	TFBS Bioscience Inc.	-	〃	3,280	35,719	14.7	35,719	-
	Taiwan Advanced Nanotech Inc.	-	〃	2,200	119,636	12.2	119,636	-
Chroma New Material Corp.	Fund							
	Fuh Hwa You Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,582	21,464	-	21,464	-
	Taishin 1699 Money Market Fund	-	〃	7,382	100,648	-	100,648	-
Chroma Systems Solutions Inc.	Fund							
	Franklin California Tax Free Income FD Inc.	-	Financial assets at fair value through profit or loss - current	164	36,922	-	36,922	-
Chroma Investment Co., Ltd.	Fund							
	Hua Nan Kirin Money Market Fund	-	〃	2,356	28,400	-	28,400	-
	Stocks							
	Greatek Electronics Inc.	-	〃	85	4,176	-	4,176	-
	Hephas Energy co., ltd.	-	〃	1,042	44,138	8.5	44,138	-
	Chroma ATE Inc.	The Corporation	Financial assets at fair value through other comprehensive income - non-current	1,806	276,254	0.4	276,254	-
	Taiwan Advanced Nanotech INC.	-	〃	500	27,190	2.8	27,190	-
	Cosmactive Broadband Networks Co., Ltd.	-	〃	4	-	1.5	-	-
	Prance System Technology Co., Ltd.	-	〃	111	-	5.1	-	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2020				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Chen Hwa Technology Inc.	Stocks							
	Hangzhou New Material Chroma Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	-	$ 7,356	19.0	$ 7,356	-
Adivic Technology Co.	Fund							
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,000	37,575	-	37,575	-
Innovative Nanotech Incorporated	Fund							
	Mega Diamond Money Market Fund	-	〃	11,268	142,397	-	142,397	-
Touch Cloud Incorporation	Fund							
	Mega Diamond Money Market Fund	-	〃	369	4,664	-	4,664	-
EVT Technology Co., Ltd.	Fund							
	Mega Diamond Money Market Fund	-	〃	2,149	27,157	-	27,157	-

Note: The fair value of open-end beneficiary certificates and listed market securities was calculated based on the net asset value and closing price as of balance sheet date.

(Concluded)

CHROMA ATE INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
Chroma ATE Inc.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current			-	$ -	22,023	$ 300,000	22,023	$ 300,072	$ 300,000	$ 72	-	$ -

CHROMA ATE INC. AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
The Corporation	Land and buildings	2020.07.03	1999-2004	Note	$ 308,000	Note	Note	Adlink Technology Inc.	Association	In order to revitalize assets, increase working capital and repay debts.	Real estate appraisal reports of Cushman & Wakefield and CCIS Real Estate Joint Appraisers Firm and	Sell and leaseback partial square feet of factory in Hua Ya technology park for the use of factory and employees' dormitory, and promise to lease for 5 years.

Note: According to the regulation of contract, the corporation charge 10 percent deposit of transaction amount, carrying amount and gain (loss) on disposal will bargain after actual settlement, for further details please see Note 23.

TABLE 6

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, 2020
(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)	$ (2,578,813)	(38)	Net 365 days after monthly closing	-	Note 1	$ 893,101	30	-
Neworld Electronics Ltd.	The Corporation	Parent company	Purchase	2,578,813	100	Net 90 days after delivery	-	-	(893,101)	(100)	-
The Corporation	Chroma Electronics (Shenzhen) Co., Ltd.	Subsidiary	(Sale)	(265,019)	(4)	Net 365 days after monthly closing	-	Note 1	104,307	3	-
Chroma Electronics (Shenzhen) Co., Ltd.	The Corporation	Parent company	Purchase	265,019	100	Net 90 days after monthly closing	-	-	(104,307)	(100)	-
The Corporation	Chroma ATE Inc.	Subsidiary	(Sale)	(784,482)	(12)	Net 365 days after monthly closing	-	Note 1	632,315	21	-
Chroma ATE Inc.	The Corporation	Parent company	Purchase	784,482	100	Net 180 days after delivery	-	-	(632,315)	(100)	-
The Corporation	Chroma Systems Solutions, Inc.	Subsidiary	(Sale)	(285,624)	(4)	Net 90 days after delivery	-	-	101,517	3	-
Chroma Systems Solutions, Inc.	The Corporation	Parent company	Purchase	285,624	100	Net 90 days after delivery	-	-	(101,517)	(100)	-
The Corporation	Chroma ATE Europe B.V.	Subsidiary	(Sale)	(176,384)	(3)	Net 365 days after monthly closing	-	Note 1	142,555	5	-
Chroma ATE Europe B.V.	The Corporation	Parent company	Purchase	176,384	100	Net 90 days after delivery	-	-	(142,555)	(100)	-
The Corporation	Quantel Private Ltd.	Subsidiary	(Sale)	(156,541)	(2)	Net 90 days after delivery	-	-	29,656	1	-
Quantel Private Ltd.	The Corporation	Parent company	Purchase	156,541	100	Net 90 days after delivery	-	-	(29,656)	(100)	-
The Corporation	Chroma ATE (Suzhou) Co., Ltd.	Subsidiary	(Sale)	(143,821)	(2)	Net 365 days after monthly closing	-	Note 1	103,622	3	-
Chroma ATE (Suzhou) Co., Ltd.	The Corporation	Parent company	Purchase	143,821	100	Net 120 days after delivery	-	-	(103,622)	(100)	-
The Corporation	Chroma Electronics (Shanghai) Co., Ltd	Subsidiary	(Sale)	(126,253)	(2)	Net 365 days after monthly closing	-	Note 1	42,005	1	-
Chroma Electronics (Shanghai) Co., Ltd.	The Corporation	Parent company	Purchase	126,253	100	Net 120 days after delivery	-	-	(42,005)	(100)	-
Neworld Electronics Ltd.	Chroma Electronics (Shenzhen) Co., Ltd.	Subsidiary	(Sale)	(1,109,845)	(39)	Net 90 days after declaration	-	-	483,297	39	
Chroma Electronics (Shenzhen) Co., Ltd.	Neworld Electronics Ltd.	Parent company	Purchase	1,109,845	80	Net 90 days after declaration	-	-	(483,297)	(87)	

(Continued)

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	
Neworld Electronics Ltd.	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	(Sale)	$ (229,380)	(8)	Net 90 days after declaration	-	-	$ 202,641	16	
Chroma ATE (Suzhou) Co., Ltd.	Neworld Electronics Ltd.	Same parent company	Purchase	229,380	57	Net 90 days after declaration	-	-	(202,641)	(52)	

Note: The actual credit period is longer than other customers, the recovery of receivables depends on the related parties' financial position.

(Concluded)

CHROMA ATE INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2020
(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	$ 893,101	2.31	$ -	-	$ 373,197	$ -
	Chroma ATE Inc.	Subsidiary	Trade receivables	632,315	1.14	-	-	266,850	-
	Chroma ATE Europe B.V.	Subsidiary	Trade receivables	142,555	0.81	-	-	34,669	-
	Chroma Systems Solutions, Inc.	Subsidiary	Trade receivables	101,517	1.42	-	-	23,181	-
			Other receivables - financing provided	108,734	-	-	-	-	-
	Chroma ATE (Suzhou) Co., Ltd.	Subsidiary	Trade receivables	103,622	1.45	-	-	7,650	-
	Chroma Japan Corp.	Subsidiary	Trade receivables	115,260	0.41	-	-	-	-
	Chroma Electronics (Shenzhen) Co, Ltd.	Subsidiary	Trade receivables	104,307	1.92	-	-	52,337	-
	Wei Kuang Automatic Equipment Co., Ltd.	Subsidiary	Dividends receivable	315,000	-	-	-	-	-
Neworld Electronics Ltd.	Chroma Electronics (Shenzhen) Co, Ltd.	Subsidiary	Trade receivables	483,297	-	-	-	212,775	-
	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	Trade receivables	202,641	-	-	-	12,218	-

Note: As of October 29, 2020.

TABLE 8

CHROMA ATE INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(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	$ 2,578,813	Note 2	23
		Chroma ATE Inc.	a	Operating revenue	784,482	Note 2	7
		Chroma Systems Solutions, Inc.	a	Operating revenue	285,624	Note 2	3
		Chroma Electronics (Shenzhen) Co, Ltd.	a	Operating revenue	265,019	Note 2	2
		Chroma ATE Europe B.V.	a	Operating revenue	176,384	Note 2	2
		Quantel Private Ltd.	a	Operating revenue	156,541	Note 2	1
		Chroma ATE (Suzhou) Co., Ltd.	a	Operating revenue	143,821	Note 2	1
		Chroma Electronics (Shanghai) Co., Ltd.	a	Operating revenue	126,253	Note 2	1
		Chroma Japan Corp.	a	Operating revenue	80,738	Note 2	1
		Testar Electronics Co.	a	Operating revenue	36,069	Note 2	-
		Adivic Technology Co.	a	Purchase	33,386	Based on regular terms	-
		Chroma ATE Inc.	a	Purchase	25,867	Based on regular terms	-
		Chroma Electronics (Shanghai) Co., Ltd.	a	Commission expense	22,146	Based on regular terms	-
		Neworld Electronics Ltd.	a	Trade receivables	893,101	Note 3	3
		Chroma ATE Inc.	a	Trade receivables	632,315	Note 3	2
		Chroma ATE Europe B.V.	a	Trade receivables	142,555	Note 3	1
		Chroma Japan Corp.	a	Trade receivables	115,260	Note 3	-
		Chroma Electronics (Shenzhen) Co., Ltd.	a	Trade receivables	104,307	Note 3	-
		Chroma ATE (Suzhou) Co., Ltd.	a	Trade receivables	103,622	Note 3	-
		Chroma Systems Solutions, Inc.	a	Trade receivables	101,517	Based on regular terms	-
		Chroma Electronics (Shanghai) Co., Ltd.	a	Trade receivables	42,005	Note 3	-
		Quantel Private Ltd.	a	Trade receivables	29,656	Based on regular terms	-
		Testar Electronics Co.	a	Trade receivables	25,639	Note 3	-
		Chroma Systems Solutions, Inc.	a	Other receivables - financing provided	108,734	Based on regular terms	-
		Chroma Japan Corp.	a	Other receivables - financing provided	82,676	Based on regular terms	-
		Neworld Electronics Ltd.	a	Other receivable	20,285	Based on regular terms	-
		Testar Electronics Co.	a	Other receivable	10,339	Based on regular terms	-
		Wei Kuang Automatic Equipment Co., Ltd.	a	Dividend receivable	315,000	Based on regular terms	1
		Chroma ATE Inc.	a	Prepayments	19,348	Based on regular terms	-
		Wei Kuang Automatic Equipment Co., Ltd.	a	Accounts payable	19,766	Based on regular terms	-
1	Wei Kuang Automatic Equipment Co., Ltd.	Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	b	Operating revenue	91,541	Based on regular terms	1

(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	$ 1,109,845	Based on regular terms	10
		Chroma ATE (Suzhou) Co., Ltd.	b	Operating revenue	229,380	Based on regular terms	2
		Chroma Electronics (Shanghai) Co., Ltd.	a	Operating revenue	28,734	Based on regular terms	-
		Chroma Electronics (Shenzhen) Co., Ltd.	a	Commissions expense	92,016	Based on regular terms	1
		Chroma Electronics (Shanghai) Co., Ltd.	a	Commissions expense	40,524	Based on regular terms	-
		Chroma Electronics (Shenzhen) Co., Ltd.	a	Trade receivables	483,297	Based on regular terms	2
		Chroma ATE (Suzhou) Co., Ltd.	b	Trade receivables	202,641	Based on regular terms	1
3	Chroma Electronics (Shenzhen) Co., Ltd.	Chroma ATE (Suzhou) Co., Ltd.	b	Operating revenue	29,579	Based on regular terms	-
		Chroma Electronics (Shanghai) Co., Ltd.	b	Operating revenue	10,712	Based on regular terms	-
		Chroma ATE (Suzhou) Co., Ltd.	b	Trade receivables	36,198	Based on regular terms	-
4	Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Wei Kuang Automatic Equipment Co., Ltd.	b	Operating revenue	17,540	Based on regular terms	-
5	Chroma ATE Europe BV	Chroma Germany GmbH	a	Operating revenue	83,548	Based on regular terms	1
		Chroma Germany GmbH	a	Trade receivables	52,095	Based on regular terms	-
		Chroma Germany GmbH	a	Other receivables	28,891	Based on regular terms	-
6	Quantel Private Ltd.	Quantel Global Vietnam Co., Ltd.	a	Operating revenue	30,028	Based on regular terms	-
		Quantel Global Sdn Bhd.	a	Operating revenue	25,486	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)

TABLE 9

CHROMA ATE INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2020			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2020	December 31, 2019	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	$ 1,340,232	$ 261,195	$ 261,199	Subsidiary
	San Eagle Development Corp.	British Virgin Islands	Investment	186,514	186,514	2,050	100.0	805,442	22,322	32,075	Subsidiary
	Adlink Technology Inc.	New Taipei, Taiwan	Manufacturing, processing and retailing of software/hardware of computers and peripherals	165,079	165,146	24,492	11.3	508,612	157,214	17,654	Associate
	Chroma New Material Corporation	Taoyuan, Taiwan	Sale and processing of gold wire	480,715	480,715	25,000	100.0	425,330	19,816	19,815	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	267,964	(195,399)	(195,399)	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	179,300	30,781	30,780	Subsidiary
	Quantel Private Ltd.	Singapore	Sale and maintenance of test instruments, etc.	112,328	112,328	1,914	60.0	162,645	22,752	12,812	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	102,070	2,881	2,881	Subsidiary
	Chroma Investment Co., Ltd.	Taoyuan, Taiwan	Investment	80,000	80,000	14,000	100.0	124,051	(245)	(6,004)	Subsidiary
	Chroma ATE Europe B.V.	The Netherlands	Sale and maintenance of electronic test instruments etc.	54,026	54,026	1	100.0	106,587	(15,853)	(15,887)	Subsidiary
	DynaScan Technology Corp.	Taoyuan, Taiwan	Research and manufacture of LED generators	238,746	238,746	9,841	27.3	135,172	59,574	16,263	Associate
	Chroma ATE Inc.	USA	Sale and maintenance of electronic test instruments, etc.	29,895	29,895	1,000	100.0	90,718	33,908	33,983	Subsidiary
	Sensational Holding Ltd.	British Virgin Islands	Investment	38,301	38,301	1,200	100.0	51,912	253	252	Subsidiary
	Adivic Technology Co.	Taipei, Taiwan	Sale and research of RF device	273,800	273,800	12,590	74.1	78,370	(10,384)	(10,054)	Subsidiary
	Chroma Japan Corp.	Japan	Sale and maintenance of electronic test instruments, etc.	201,750	147,125	10	100.0	(102,665)	(49,409)	(48,983)	Subsidiary
	Chroma Systems Solutions, Inc.	USA	Sale and maintenance of electronic test instruments, etc.	29,628	29,628	120	25.0	(14,804)	61,395	15,349	Subsidiary
	Deep Red Holding Co., Ltd.	Mauritius	Investment	12,217	12,217	215	100.0	127,354	12,171	12,171	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	17,130	(1,402)	(491)	Joint venture
	Testar Electronics Corporation	Taoyuan, Taiwan	Testing of LED products	247,096	247,096	20,160	67.2	21,031	15,378	10,313	Subsidiary
	EVT Technology Co., Ltd.	Taoyuan, Taiwan	Manufacturing of motorcycles and its parts	117,311	117,311	9,412	85.6	42,977	(8,179)	(6,999)	Subsidiary
	Innovative Nanotech Incorporated	Hsinchu, Taiwan	Monitoring instruments of nanoparticles	142,140	142,140	14,214	71.1	144,508	37,879	26,920	Subsidiary
	Touch Cloud Incorporation	Taipei, Taiwan	Development of cloud platform and Internet of Things Systems	57,000	57,000	5,700	78.1	24,764	(12,573)	(9,818)	Subsidiary
	Camtek Ltd.	Israel	Automated optical inspection equipment	2,342,340	2,342,340	7,817	20.2	2,270,017	13,396	51,249	Associate
Chroma ATE Inc.	Chroma Systems Solutions, Inc.	USA	Sale and maintenance of electronic test instruments, etc.	64	64	240	50.0	277,346	61,395	NA	Subsidiary
San Eagle Development Corp.	Wei Kuang Mech. Eng. Inc.	Mauritius	Investments	185,686	185,686	4,475	100.0	864,424	22,325	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	-	(53)	NA	Subsidiary
Adivic Technology Co., Ltd.	Adivic Holding Corporation	Samoa	Sale and research of RF device	42,245	42,245	1,000	100.0	9,510	(27)	NA	Subsidiary
Quantel Private Ltd.	Quantel Technologies India Private Ltd.	India	Sale and maintenance of test instruments, etc.	3,056	3,056	65	100.0	4,252	1,061	NA	Subsidiary
	Quantel Global Vietnam Co., Ltd.	Vietnam	Sale and maintenance of test instruments, etc.	6,219	6,219	-	100.0	4,006	477	NA	Subsidiary
	Quantel Global Sdn. Bhd.	Malaysia	Sale and maintenance of test instruments, etc.	4,199	4,199	600	100.0	6,762	2,696	NA	Subsidiary
	Quantel Global Philippines Corporation	Philippines	Sale and maintenance of test instruments, etc.	610	610	99	100.0	5,795	882	NA	Subsidiary
Chroma ATE Europe B.V.	Chroma Germany GmbH	Germany	Sale and maintenance of electronic test instruments, etc.	1,073	1,073	30	100.0	(4,023)	(13,608)	NA	Subsidiary
Chroma Investment Co., Ltd.	Testar Electronics Corporation	Taoyuan, Taiwan	Testing of LED products	11,250	11,250	4,500	15.0	8,992	15,378	NA	Subsidiary

Note: For amounts that were translated from foreign currencies, the amount of the original investment was translated into New Taiwan dollars at the historical exchange rate, while the amount of net income (loss) of the investee and investment gain (loss) were translated into New Taiwan dollars at the average exchange rate for the nine months ended September 30, 2020. Other amounts were translated into New Taiwan dollars at the spot exchange rate on September 30,2020.

TABLE 10

CHROMA ATE INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(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, 2020 (Note 3)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2020 (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, 2020 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2020
					Outward	Inward						
Chroma Electronics (Shenzhen) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	$ 112,620 (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)	$ 167,996	100	$ 167,996	$ 904,325	$ -
Chroma Electronics (Shanghai) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	87,300 (US$ 3,000)	b. Subsidiary of Neworld Electronics Ltd.	101,993 (US$ 3,000)	-	-	101,993 (US$ 3,000)	42,528	100	42,528	202,752	-
Chroma (Shanghai) Trading Co., Ltd.	International and transit trading, commercial simple processing and commercial consulting service and etc.	78,570 (US$ 2,700)	b. Subsidiary of Chen Hwa Technology Inc.	84,988 (US$ 2,700)	-	-	84,988 (US$ 2,700)	(447)	100	(447)	79,052	-
Hangzhou New Material Chroma Co., Ltd.	Production and sale of semiconductor connecting materials	43,650 (US$ 1,500)	b. Subsidiary of Chen Hwa Technology Inc.	9,091 (US$ 285)	-	-	9,091 (US$ 285)	26,919	19	-	7,356	12,065 (US$ 368)
Chroma ATE (Suzhou) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	110,580 (US$ 3,800)	b. Subsidiary of CHI Incorporation Ltd.	121,115 (US$ 3,800)	-	-	121,115 (US$ 3,800)	30,746	100	30,746	253,804	-
Wei Kuang Automatic Equipment (Nanjin) Co., Ltd.	Sale and maintenance of electronic equipment and factory conveyor systems	50,677 (RMB 11,871)	b. Subsidiary of Wei Kuang Mech. Eng. Inc.	43,751 (US$ 1,338)	-	-	43,751 (US$ 1,338)	5,751	100	5,751	207,351	-
Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Sale and maintenance of electronic equipment and factory conveyor systems	48,739 (RMB 11,417)	b. Subsidiary of Wei Kuang Mech. Eng. Inc.	49,935 (US$ 1,500)	-	-	49,935 (US$ 1,500)	15,201	100	15,201	479,955	-
Mou Kuan Technologies (Nanjin) Co., Ltd.	Assembly, sale and maintenance of factory conveyors and related systems and renders related after-sales services	7,415 (RMB 1,737)	b. Subsidiary of Wei Kuang Mech. Eng. Inc.	92,000 (US$ 2,836)	-	-	92,000 (US$ 2,836)	743	100	743	48,475	47,504 (US$ 1,552)
Sajet System Technology (Suzhou) Co., Ltd.	Research, development and design of computer network security systems and information management	35,749 (RMB 8,374)	b. Subsidiary of Deep Red Holding Co., Ltd.	(Note 9)	-	-	(Note 9)	12,158	100	12,158	127,350	-

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2020	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)	$8,991,793 (Note 7)

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 balance sheet date were translated into New Taiwan dollars at the rates of HK$1=NT$3.754, US$1=NT$29.100, RMB1=NT$4.269 prevailing on September 30, 2020.

(Continued)

Note 3: The amounts of accumulated outflow of investment from Taiwan as of January 1, 2019 and September 30, 2019 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$3.843, US$1=NT$29.817 and RMB1=NT$4.259 for the nine months ended September 30, 2020.

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)